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Japan's Move On Economy Fails to Win U.S. Applause

'Short-Term Stimulus' Disappoints Bentsen; Heated Summit Likely

By Thomas L. Friedman
New York Times Service

NEW YORK — The Clinton administration gave a downbeat reception on Friday to the Japanese government's economic-stimulus package, saying it was too short in duration to produce the sort of increase in Japanese purchases of American goods to shrink Japan's huge trade surplus with the United States.

The tepid American response to the Japanese tax cuts that are the heart of the package, coupled with the near total absence of progress to date in the negotiations between Japan and the Clinton administration to open certain Japanese markets, is making it increasingly likely that the meeting on Friday in Washington between President Bill Clinton and Prime Minister Morihiro Hosokawa is going to be highly confrontational.

American officials were still hoping for a last-minute concession by Japan, but there are no signs of that so far as Mr. Hosokawa's government is increasingly engulfed in political turmoil.

It was partly in an effort to have something to bring to Washington to placate the Americans that Mr. Hosokawa put together a $140 billion package of temporary tax cuts and public-works programs, designed to lift Japan out of its two-year recession and help shrink its trade surplus by stimulating Japanese consumer purchases.

To get the package through his parliament, Mr. Hosokawa had to placate opponents of the tax cuts by agreeing that the 20-percent income tax reductions at the heart of his program would be only for one year.

"I am concerned that it is only for one year," Treasury Secretary Lloyd Bentsen said in an interview. Because the period is so short, he added, it leaves the prospect for a long-term stimulus "indefinite."

Mr. Bentsen said the American experience had been that "when people see a short-term stimulus they usually save rather than spend," and there is therefore no long-term change in buying habits or a real, sustainable surge in imports. Both are critical if Japan's $50 billion trade surplus with the United States is to be reduced.

Mr. Bentsen seemed to be trying to send the Japanese a signal that if this is all that Mr. Hosokawa is able to bring to Washington for his meeting with Mr. Clinton, their talks could be in trouble.

American officials have said for weeks that they will not disguise their differences with Tokyo for the sake of a sunny meeting.

Mr. Hosokawa is going to Washington to review the last six months of negotiations between the Clinton administration and Japan.

The Japanese stimulus package was half of what the United States was looking for from Tokyo in those framework talks. The other half consisted of concrete Japanese agreements to open their markets in the areas of automobiles and auto parts and government procurement of medical equipment, telecommunications and insurance.

Progress in these market-access talks has been virtually nonexistent, or as Mr. Bentsen put it: "I don't see a breakthrough happening yet."

He said that where the Japanese government could really decide to make a breakthrough quickly, if it wanted, was in the areas of government procurement, but that so far there had been little movement.

The Treasury secretary said he was still hopeful that before Friday Japanese and American

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Arne Dedert/Reuters

Bosnians evacuated after the Sarajevo mortar attack resting Tuesday in makeshift quarters at a U.S. Army hospital in Germany.

NATO Appears Set To Issue Deadline On Sarajevo Siege

By Roger Cohen
New York Times Service

BRUSSELS — NATO, building on an unusually strong partnership between the United States and France in recent days, appeared to be set Tuesday to establish a deadline for the lifting of the siege of Sarajevo, after which military force would be used.

"A consensus is emerging that the time has run out on inaction," a senior NATO diplomat said. "The West and its institutions have a responsibility now to demonstrate that enough is enough."

It appeared that the balance within the 16-member North Atlantic Treaty Organization had tilted, probably decisively, toward using air power as a result of the mortar attack Saturday on the Sarajevo market, which killed 68 people.

[A senior White House official confirmed Tuesday that Washington had agreed to threaten NATO air strikes to lift the siege, Reuters reported.

[The official said that strategy now included

Serbs' mobile weapons would be hard for NATO planes to take out. Page 6.

upgrading American involvement in negotiations aimed at ending the war, precisely defining a threat of NATO air strikes against Bosnian Serb gun positions around Sarajevo to deter attacks on civilians, and providing United Nations commanders with the authority to call in air strikes quickly should Serb attacks on civilians occur.]

The diplomat in Brussels, a central figure in the alliance's planning for the Bosnian war, suggested that an agreement was all but in place for NATO, meeting Wednesday at ambassadorial level, to deliver an ultimatum for the lifting of the 22-month siege of the Bosnian capital by the Serbs.

"The objective is to stop and prevent the shelling of Sarajevo," he said. "We will set requirements on where artillery is permitted to be and make clear what our response would be if these requirements about the positioning and use or artillery are not quickly met. Will and capacity are, I believe, combining to take decisive action."

Asked how much time the Serbs would be given to pull back their artillery from the hills around Sarajevo, the diplomat said the deadline would be "timely." Foreign Minister Alain Juppé of France said this week that any NATO ultimatum should allow a few days at most.

Conversations at alliance headquarters Tuesday suggested that Canada, Greece and, to a lesser extent, Spain and Britain, continued to have some reservations about NATO committing itself on a firm course leading to the use of force in Bosnia. These reservations center both on strategic considerations and concern over the welfare of UN peacekeeping soldiers.

Asked about these issues, the diplomat said: "There has been a thinking through on a very deliberate basis of all the alternatives. What you see now is the result of months of wrestling with some of the deepest problems ever to face the alliance. But I believe we are now ready to

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For Clinton, Decision Time Is at Hand

By R. W. Apple Jr.
New York Times Service

WASHINGTON — For many months now, President Bill Clinton has temporized on the war in Bosnia, finding one reason or another to avoid American involvement.

Now, in the wake of the slaughter in Sarajevo's central marketplace last weekend, there are signs that the frightful television images of the carnage may have broken, or at least dented, the shell of American public indifference. At the least, they have given the president as good an opportunity to act firmly in Bosnia as he is likely to get.

[An ABC News survey, made public Tuesday and quoted by Reuters, found that 57 percent of Americans favored air strikes against Serbian positions outside

NEWS ANALYSIS

Sarajevo, while 37 percent were opposed. Only 17 percent said the United States should act alone, while 79 percent opposed unilateral intervention, ABC said.]

Two months ago, only 26 percent of the respondents in a CBS News poll said they thought the United States had a responsibility to act, as opposed to 65 percent who said that it did not.

There was little public outcry two weeks ago when the president scarcely mentioned the strife in Bosnia-Herzegovina in his first State of the Union speech.

But in recent days, the anecdotal evidence — chat on radio talk shows, calls to congressional offices — suggests a shift. Some people, at least, are starting to worry as much about the United States' seeming callous and selfish as about the potential for a new geopolitical quagmire.

Or so it looks from Washington. Bob Dole, the Kansas Republican who leads his party in the Senate, is no mindless hawk; grievously wounded in World War II, he hesitates before advocating American military intervention. He can also read the sentiment on Capitol Hill as well as anybody who serves there.

So when he urged the president on Sunday to order air strikes and said such a decision would have "strong bipartisan support in Congress," it was taken here as a signal that doing nothing might not be the safest course any longer.

The questions are these: Does Mr. Clinton wish to seize the moment? Does he

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German Joblessness Tops 4 Million

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Unemployment in Germany rose to a postwar record of more than 4 million people in January, the government reported Tuesday, as the country's largest union offered to accept temporary pay cuts in order to save jobs.

January's official jobless figure, which understates actual unemployment in Europe's biggest economy, was little surprise in itself. Records for unemployment have been set in each of the last several months, and more are most likely to follow.

But coming amid a simmering labor conflict and a month before the first in a marathon series of state and local elections this year, the news was received by the government like an uninvited guest.

Western German unemployment was 9.9 percent in January, and the Eastern German tally was 17.8 percent. Neither figure includes the thousands of people in mandatory work-training programs or government job creation schemes.

"This unemployment figure is of a dimension which is not acceptable," Economics Minister Günter Rexrodt said. "We must be aware that lasting high unemployment threatens not only our economic order but the very foundations of our society."

A senior economics adviser to Chancellor Helmut Kohl, Friedhelm Ost, said the January jobless statistics were a signal to unions and employers alike to place a priority on job security.

IG Metall, which represents 3.6 million workers in Germany's key automotive, electronics and metalworking sectors, said Tuesday that it was willing to accept lower pay along with a shorter working week in order to save jobs and prevent a walkout that could stunt the country's feeble economic recovery.

But employers dismissed the union's overture as an effort to divert attention from a call for overall labor flexibility, which would include working longer hours.

In a speech Tuesday, Mr. Kohl said German joblessness was made worse by high wages and a lack of inventiveness, among other factors. Germany has also "fallen behind important competitors in research and high technology," he said, and could create more jobs if more attention were given to these fields.

Although government officials and some economists said the data suggested the rise in joblessness was beginning to plateau, the report contained no sign that new jobs were being created rapidly enough to offset new unemployment.

Hung Tran, managing director of Deutsche Bank Research in Frankfurt, predicted overall German unemployment would peak at around 10 percent, but not until sometime late next year.

"We see the economy making a tentative

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Hubert Link/Agence France-Presse

Jobless Germans lining up to apply for federal benefits in Berlin. Unemployment, at more than 4 million, is at a post-World War II high.

Sudan Army Sweeps South In Drive to Crush Rebels

By Keith B. Richburg
Washington Post Service

NAIROBI — The Islamic fundamentalist military government in Sudan has begun an offensive against rebels in the largely Christian and animist South in what diplomats and relief workers here said might be an all-out effort to wipe out the costly, decades-old rebellion.

Fighting across the South is said to be the most intense in years. Sudanese troops, backed by warplanes and tribal militias, have reportedly advanced from the garrison towns of Juba and Wau to attack the guerrilla fighters of the Sudan People's Liberation Army along the Kit River.

The fighting has sent tens of thousands of refugees fleeing toward the Ugandan border. About 47,000 refugees have deserted their camp at Ame, which was attacked over the weekend, aid officials said. The International Committee of the Red Cross has been asked to evacuate about 50 patients from the nearby Aswa camp.

"It sounds like there's a large number of wounded," said Sally Burnheim of Operation Lifeline Sudan, the United Nations umbrella group that coordinates relief to the area.

The government of General Omar Hassan Ahmad Bashir appears to be trying to capture the town of Nimule on the Ugandan border, and thus to cut the rebels' military and supply lines to Uganda. In that region, the rebel movement has had virtually unlimited freedom of movement across the border, which has enabled it in effect to govern a zone of southernmost Sudan. The border routes are also essential to the international relief effort to feed millions of Sudanese.

If the rebels lose those supply routes to Uganda, "they will have to go back to being an old-fashioned guerrilla movement," said David Evans, the program officer for Norwegian People's Aid, which operates in the area. "The SPLA will defend those areas with everything they have, because they have nowhere else to

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Ulster's Deadly Codes of Violence Make Peace Elusive

By Steve Coll
Washington Post Service

BELFAST — It was a routine statement about a routine shooting, the sort of terrorist press release that passes with numbing regularity across news agency fax machines here, providing updated box scores for a grinding war enlivened lately by talk of peace.

This time it was the Protestant-dominated Ulster Volunteer Force taking responsibility for the shooting last week of a Roman Catholic bus driver who ran prison visitation shuttles for the relatives of jailed Irish Republican Army members. The driver was slightly wounded, but a passing woman motorist took a bullet in the abdomen. She suffered three heart attacks on a hospital operating table and barely survived.

The Ulster Volunteer Force did not apologize, but its statement sought to clarify: Just because they shot the bus driver, who they said was aiding the IRA, did not mean they were aiming at any IRA relatives normally in his minivan.

Apparently fearing retaliation against their own wives and children, the Ulster Volunteer Force affirmed an unwavering commitment not to murder relatives of its mostly Catholic enemies in the IRA.

In the madness of Northern Ireland's civil war, two sets of rules increasingly compete. On one side are formal rules of law and treaty favored by politicians who seek these days to exploit what many describe as the best chance for peace in Northern Ireland in 20 years. Against them stand informal, labyrinthine codes of street violence, a twisted logic constructed over long years of desperation.

"That's the fury of the whole situation," said Jeff Maxwell, leader of the Belfast human-rights group Families Against Intimidation and Terror. Violence and counterviolence has produced over the years "a well-orchestrated pact between

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Kiosk

A Deadline Is Pushed Back in Skater Attack

PORTLAND, Oregon (AP) — The deadline for a grand jury report on the investigation in the attack on the American figure skater Nancy Kerrigan was moved back on Tuesday to March 21, and a prosecutor said any indictments were unlikely before then.

The deputy Multnomah County district attorney, Jean Maurer, said the delay was needed to improve the chances that Miss Kerrigan's rival, Tonya Harding, would continue to cooperate with the investigation.

Miss Harding has denied any involvement in the plot to attack Miss Kerrigan, who was struck above the knee by an assailant Jan. 6 after a workout before the U.S. Figure Skating Championships in Detroit. Miss Harding's former husband, has pleaded guilty for his involvement in the plot.

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Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1,400 CFA	Qatar	8.00 Rials
Egypt	E.P. 5000	Réunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	300 Dr.	Spain	200 PTAS
Ivory Coast	1,120 CFA	Tunisia	1,000 Din
Jordan	1 JD	Turkey	T.L. 12,000
Lebanon	US$ 1.50	U.A.E.	8.50 Dirh
		U.S. Mil. (Eur.)	$1.30

Dow Jones: Down 0.29, 3,908.03

Trib Index: Up 0.20%, 116.23

The Dollar

New York.	Tues. close	previous close
DM	1.765	1.7587
Pound	1.4669	1.4832
Yen	108.75	108.60
FF	5.983	5.962

In India, Endangered Crane Is Running Out of Time

By Molly Moore
Washington Post Service

BHARATPUR, India — The scientists were ready, armed with electronic transmitters and six baby cranes who had been reared on crane chow and fed by human parents dressed in bird costumes.

The young cranes were supposed to migrate to Siberia with their wild counterparts. But for the first time in memory, the snowy white Siberian cranes did not appear at their Indian wintering grounds, alarming preservationists and dashing hopes for one of the international scientific community's most unusual and ambitious efforts to save an endangered species.

With the number of Siberian cranes that winter in India dwindling from 200 in 1965 to a mere five last year, crane experts converged on the Keoladeo Ghana National Park here last month, planning to take six crane chicks bred in captivity and release them with their migrating wild relatives.

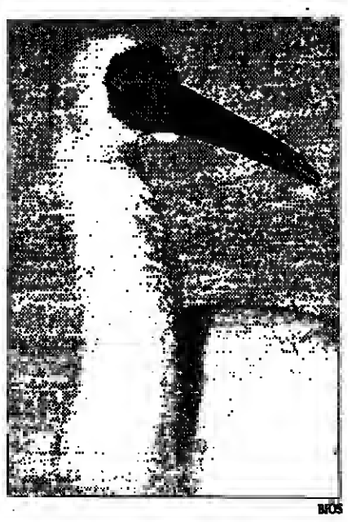
Scientists hoped the adults would teach the youngsters the centuries-old migration route over the Himalayas between India and Siberia. The young birds' electronic transmitters would be monitored by satellite. Unlike many other birds, cranes are not born with the instinct to fly their migration paths.

"We're running out of time," said Katie Richter, an Ohio native among the group of preservationists working on the crane project, partially sponsored by the U.S. Fish and Wildlife Service and the Wisconsin-based International Crane Foundation. "It already may be too late to save them."

The Siberian crane — a tall, stately bird with white plumage and a bright red face and beak — has become a symbol for international efforts to preserve endangered birds and their environments.

The Sibes, as the big birds are known among enthusiasts, have been particularly hard hit by rapid development, deforestation, uncontrolled hunting and the lack of wildlife preservation efforts in many of the developing nations they visit on their treacherous twice-yearly migrations.

A few years ago, several Siberian crane carcasses were rumored to have been discovered in the meat bazaar in Kabul, the capital of Afghanistan. In Pakistan, migrating flocks of Siberian cranes and other large birds have reportedly been downed by hunters hurling rocks tied to twine.



BIOS

Ornithologists say they think the Siberian cranes that migrate west to India and Iran are near extinction. None of the cranes have so far reached India this year, and only one small flock of six Sibes has been spotted in Iran. Another branch of the Siberian crane family, the shrinking eastern flock of about 2,500, winters in China. No other flocks are known to exist in the wild.

For two years, scientists from the United States, Russia, India and Japan have collaborated in an elaborate scheme to try to replenish the dying western flock.

First, eggs were taken from the nests of Siberian cranes raised at the International Crane Foundation's preserve in Wisconsin and flown in insulated plastic boxes warmed with hot water bottles to Moscow, where they were hatched in incubators. Scientists blasted cool air on the eggs each time they were turned to

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Seoul Vows to Keep The Dialogue Open

By David E. Sanger
New York Times Service

TOKYO — Measuring the rhetoric from North Korea as increasingly ominous, South Korea's president, Kim Young Sam, convened the country's national security council Tuesday and then issued conciliatory messages, saying that "dialogue will be maintained as long as possible" over the inspection of the North's nuclear sites.

Mr. Kim's meeting came just before South Korea's foreign minister, Han Sung Joo, hurriedly headed to Washington in an effort to come up with a new strategy to persuade the North to relent on inspections before the International Atomic Energy Agency's board of governors meets in Vienna in two weeks, on Feb. 21. Unless North Korea has permitted a thorough inspection by that time, the agency is expected to refer the issue to the United Nations Security Council for the imposition of sanctions.

Mr. Han, in a telephone interview Tuesday, said he had advanced the previously scheduled trip to Washington by a week because "there needs to be a calming down on both sides."

The meeting and Mr. Han's trip underscored a growing anxiety in South Korea that sanctions against the North are almost inevitable.

Now, the cautions are growing louder than ever. South Korean and Japanese officials say they are particularly concerned that several announcements from Washington in recent weeks, including the imminent deployment of Patriot anti-missile units to South Korea, have created an atmosphere in which the North Korean leaders feel they cannot back down and allow inspectors into the nuclear sites in Yongbyon, 100 kilometers (60 miles) north of Pyongyang, without losing face.

"We can always go the Security Council route," one South Korean official said recently, "but it will be difficult to turn back from it once we start. So we have to explore every avenue first."

China has also expressed displeasure with the Clinton administration's recent handling of the impasse, according to officials in Japan and Korea.

The United States, meanwhile, is moving fairly rapidly to insure that it is prepared, in case the North Korean government of Kim Il Sung tries to carry through on its vague threats of military action in response to economic sanctions.

A small team of supervisors from the Central Intelligence Agency was recently dispatched to Seoul to beef up the agency's station there and to step up monitoring of North Korean troop movements.

At the same time, American officials are declaring that unless the North has agreed to inspections by the time of the atomic energy agency meeting, they will move ahead with plans for a small-scale version of "Team Spirit," the annual joint military exercise between the United States and South Korea.

The exercise, which the North has frequently denounced as a "nuclear war preparation" and a "grave provocation," would involve only about 40,000 troops, making it a third of the size of the exercise held last year, according to officials familiar with the plan.

North Korea asserted Tuesday that the United States was also strengthening its forces in Japan in preparation for a possible confrontation.

"The United States employs smiling diplomacy at the negotiating table," the North said in a dispatch, "as if it were interested in peace, and tries hard to isolate and stifle its dialogue partner behind the scene. This is really the height of duplicity and impudence."

Sergei Karpukhin/The Associated Press

A customer checking an imported brand Tuesday at a Moscow street stand after domestic vodka prices headed skyward.

Russian Vodka Industry Staggered by New Tax

Los Angeles Times Service

MOSCOW — Squeezed by high taxes and cheap imports, Russia's biggest vodka distillery has shut down for two weeks and sent 900 workers on unpaid vacation, adding to the country's recession and choking one of its main sources of revenue.

Officials at the Kristall distillery here said they hoped the temporary closure on Monday would persuade the government to cancel a liquor tax increase. They said the new tax was counterproductive, pricing Russian vodka out of its native market. One of Kristall's popular brands, Stolichnaya, sells for 3,500 rubles ($2.20) for a half-liter bottle, up from 2,800 rubles before Jan. 1.

But in Moscow, which consumes 1 million bottles of vodka daily, Stolichnaya is hard to find.

The liquor sections of kiosks are dominated by Finnish, German, Czech, Polish, Ukrainian and Belarussian vodka, which have become cheaper than local brands despite Russian import duties of 150 percent. Some of the imported vodka is smuggled in to avoid the tax.

Reportedly invented by Russian monks in the 15th century, vodka is Russia's leading source of drunkenness and a symbol of its chronic inefficiency and despair. With its production under state control since czarist times, vodka is also the source of about 10 percent of government income.

Until Dec. 27, the state took 85 percent of the vodka industry's profits in taxes, leaving the rest to distillers to maintain old equipment. On that day the tax rose to 90 percent, dropping the distillers' cut by a third and creating an industrywide crisis.

WORLD BRIEFS

French Fishermen's Chiefs Urge End To Strike After Import Tightening

PARIS (Reuters) — Leaders of French fishermen called for an end to a 10-day strike on Tuesday after the government tightened border controls on fish imports despite a diplomatic clash with Norway.

Leaders of the Brittany Survival Committee, which organized violent protests against cheap imports last week, said they were satisfied with their talks with Agriculture and Fisheries Minister Jean Puech. "We will ask fishermen to return to work," the committee's leader said.

In the latest protest, fishermen occupied two expressway tollgates in western France, emptying two trucks carrying imports from Norway and Denmark and handing the fish to motorists, the police said.

Anxious to end the strike, the Agriculture and Fisheries Ministry announced tougher sanitary and customs controls. A ministry spokeswoman said new restrictions would be imposed at ports, including Le Havre, Marseille, Nice and Boulogne-sur-Mer, and at Orly airport near Paris. Norway protested that the French measures amounted to a ban on fish from outside the European Union.

'Some Progress' in Mideast Talks

CAIRO (Reuters) — Israeli and Palestinian negotiators said Tuesday that they were making slow progress and that it was too early to say if agreement was imminent on details of Palestinian self-rule and Israeli withdrawal from the occupied Gaza Strip and Jericho.

"I would say this morning showed some progress," said a Palestinian negotiator, Nabil Shaath. "One is hesitant to draw conclusions because these things take time." Environment Minister Yossi Sarid of Israel said, "The beginnings are always very promising but sometimes there are difficulties translating the good atmosphere into practical results. It's too early."

Charges Dropped in U.S. Scandal

NORFOLK, Virginia (AP) — A military judge dismissed charges on Tuesday against three U.S. Navy aviators in the Tailhook scandal, rejecting the testimony of the navy's senior admiral and accusing him of trying to manipulate the investigation.

The decision by Captain William T. Vest Jr. means the navy will have to start from the beginning if it intends to pursue cases stemming from the 1991 Tailhook aviators' convention against Commander Thomas R. Miller, Commander Gregory Tritt and Lieutenant David Samples.

Captain Vest ruled that the chief of Naval Operations, Admiral Frank B. Kelso 2d, used "unlawful command influence" to "manipulate the initial investigative process and the subsequent process in a manner designed to shield his personal involvement in Tailhook 91."

Egypt Militants Issue 'Final Warning'

CAIRO (Combined Dispatches) — Islamic militants, in a "final warning," have again called on all foreigners to leave Egypt immediately. "This is our final warning," said the militant Islamic Group, "and those who read it should take it seriously. Those who do not will suffer the consequences."

The warnings to foreigners were faxed to international news agencies in Cairo. They are the closest the Islamic militants have come to saying they will kill foreigners. There have been five warnings since last March calling for foreigners to leave the country. And although most embassies advise their nationals to be cautious, none have suggested that they leave Egypt.

Grand Farewell in Grandest Basilica for Ivory Coast's 'Father'

By Kenneth B. Noble
New York Times Service

YAMOUSSOUKRO, Ivory Coast — Two months after his death, President Félix Houphouët-Boigny of the Ivory Coast, one of the last of a generation of African leaders to guide his people from colonialism, finally received a somber state funeral in the world's largest church, which he had built in his ancestral village.

The 7,000 guests inside the basilica of Our Lady of Peace of Yamoussoukro, and the tens of thousands of mourners who endured withering equatorial heat in the huge esplanade outside, witnessed on Monday what it seems safe to say was the most lavish ceremony ever held to pay homage to an African leader.

All the panoply of Western religious liturgy mixed with traditional African customs were on display here, Mr. Houphouët-Boigny's birthplace; the stirring music of Handel and Gounod; the undulating music and dance of ancient African rituals; a huge chorus dressed in bright batik dress singing, *"laagoh budji gnia,"* the Baule-language words for "Lord, it is you who has made all things"; a military honor-guard dressed in bright red coats and brandishing glittering swords; and hundreds of village elders, resplendent in huge multicolored togas of kente and korhogo cloth.

It was a day carefully designed as a tribute to the late president and as a showcase for a country rooted spiritually somewhere between the brutal competitiveness of Western commerce and the brilliantly complex and often mystical culture of ancient Africa. Indeed, Ivory Coast has long regarded itself as an oasis of relative affluence and tranquility amid the excesses of war, famine, religious and ethnic hatreds, and other seemingly intractable problems that have marred much of post-independence Africa.

Mr. Houphouët-Boigny died Dec. 7, at the official age of 88, but he was widely believed to be much older. The two-month delay before his burial, which is not uncommon among his ethnic group, the Baule, allowed time for many ceremonies leading up to Monday's funeral.

Baule chiefs are traditionally buried with tools, mementos — and it is widely rumored, even friends and relatives — they treasured in life.

Mr. Houphouët-Boigny had ruled the Ivory Coast since it gained independence from France in 1960, and, at the time of his death, he was Africa's longest-serving leader and the third-longest-serving in the world after Fidel Castro of Cuba and Kim Il Sung of North Korea. Still, although Mr. Houphouët-Boigny's funeral attracted representatives of more than 140 countries and international organizations, many Ivorians were privately bewildered and angered because several countries that were considered close allies failed to send what they considered sufficiently high-ranking representatives.

Ivorians were especially disappointed with the United States, whose 15-man delegation seemed to many a telling illustration of the Clinton administration's inattention, if not outright indifference, toward Africa. The U.S. delegation was led by Energy Secretary Hazel R. O'Leary and George Moose, the assistant secretary of state for African affairs.

U.S. officials acknowledged that Mrs. O'Leary, who holds cabinet rank, has little, if any experience in dealing with current African issues. The best that a press release distributed to reporters could muster about Mrs. O'Leary, who is black, is that "like President Houphouët-Boigny, both O'Leary's parents were physicians."

Earlier, Danièle Boni Claverie, the minister of communications, said that she was disappointed with the size and composition of the U.S. delegation. "If we had been sent a vice president we would have been happier," she said.

By contrast, France, the Ivory Coast's colonial ruler, sent a formidable delegation, including President François Mitterrand and Prime Minister Edouard Balladur, former President Valéry Giscard d'Estaing, six former prime ministers, and more than 70 other dignitaries. Mr. Houphouët-Boigny himself had nurtured close personal ties with several generations of French leaders, culminating with several ministerial posts under President Charles de Gaulle.

Mr. Houphouët-Boigny's death is not only the end of a political era here, but perhaps also the end of the peculiar French-African relationship that he came to symbolize. Many Ivorians were stunned that just a month after the death of their leader in December, France supported the 50 percent devaluation of the CFA franc, the French-backed currency that is used in 14 Francophone countries, and Equatorial Guinea. Mr. Houphouët-Boigny had vigorously opposed any realignment of the CFA franc, and devaluation has been widely seen as a betrayal by France and a worrying sign of things to come.

Still, for the vast throngs outside the basilica, it was, as many of them said, among the most deeply spiritual events in their lives. Tens of thousands had slept in nearby bus stops, soccer fields, and schoolyards overnight to be sure of good vantage points. They were in a uniformly somber mood, some singing or praying quietly to themselves, others waving small flags or handkerchiefs with the late president's portrait.

There was also a faintly carnival mood about the occasion. Hawkers sold hastily printed black-bordered photographs and posters of the president. Beggars sat on sidewalks. Coffee trucks pulled up, and crowds gathered to pass around a single cup and drink.

The policemen and troops deployed in an enormous security operation were in a somber and forgiving mood, and no serious incidents of any kind were reported.

Though Mr. Houphouët-Boigny often described himself as a devout Catholic, he was tolerant of traditional African religious beliefs, known as animism, which range from a faith in spirits to forms of ancestor worship. In a nation of about 14 million people, Catholics are only about 15 percent of the population, while 40 percent are Muslim, 5 percent Protestant, and the rest animist. But most Catholics here practice some forms of animism.

Mr. Houphouët-Boigny's decision to build the basilica, especially with the country in deep recession, was at the time widely derided as a scandalous extravagance.

TRAVEL UPDATE

Aeroflot Flight Too Eventful, Two Say

LONDON (Reuters) — The British government said Tuesday that it had asked Russia's aviation authorities to look into complaints by two British passengers of lax safety procedures on an Aeroflot flight from London to Moscow last month.

The Britons, Andrew Cairns and Francesca Baldi, said passengers were allowed to smoke during takeoff, there was no pre-flight safety briefing, no seatbelt check, the "fasten seatbelt" and "no smoking" signs were never switched on and the cabin carpet was ripped and seats broken.

Aeroflot Flight SU 242 on Jan. 14 was also forced to make an emergency landing in Berlin after a cockpit window blew out, they said, sending the jet into a brief nose dive. They said that after spending the night at a Berlin hotel, they decided not to continue their flight.

A top-level purge in Nigeria's customs service has been started by the military government. Businessmen say the service is riddled with corruption. The comptroller-general and all his deputies and assistants have been ordered out of their offices on indefinite leave. *(Reuters)*

U.S. passengers traveling to Mexico on package bus tours may no longer face two-hour delays at the border. The Mexican Tourism Secretariat has streamlined the entry process for chartered buses. It said the waiting period under normal conditions should be about 15 minutes.

The U.S. National Park Service is charging $10 for its Golden Age pass, which was previously free. The lifetime pass, available to American citizens over 62, admits the holder, and anyone else in the car, free to any park where there is an entrance charge.

Two exhibitions of art from the kingdom of Benin in southern Nigeria will be opening in the United States soon: one Feb. 13-April 3 at the Museum of Fine Arts in Houston, and the other, starting May 3, in Cleveland, Baltimore and Seattle. *(NYT)*

French Barred U.S. Test for AIDS, Reportedly to Work on Own Version

By Barry James
International Herald Tribune

PARIS — Officials blocked the sale of an American test for AIDS to give a French manufacturer time to catch up on development of a similar product, according to documents published Tuesday.

Several hundred people who received transfusions during the nearly seven months that the U.S. test was available, but kept off the French market, were infected by the virus that causes AIDS.

According to documents published by the daily Libération, François Gros, scientific adviser to then-Prime Minister Laurent Fabius, warned on July 3, 1985, of the danger of the U.S. product "flooding the French market."

Almost six months earlier, Mr. Gros had recognized in another letter to Mr. Fabius that AIDS "can also infect anyone suffering an accident or an operation who receives a transfusion."

Libération said the documents came from the prime minister's department and formed part of a judicial inquiry into France's spreading blood scandal, for which four former senior health officials have already been convicted.

During the trial of those officials in 1992, Mr. Gros affirmed that he had not been informed before June 1985 of the hazard to hemophiliacs of receiving potentially infected blood products.

About 1,250 hemophiliacs contracted AIDS, many of them because the French authorities refused to take a clotting agent out of circulation even when the danger of its contamination by the human immunodeficiency virus had been well documented in mid-1985.

As a result, Michel Garretta, former head of the National Transfusion Service, received a four-year prison sentence, and his former director of research, Jean-Pierre Allain, two years in jail.

Although experts warned that Libération had published only a few documents from a complex legal dossier, the new evidence appears to indicate that senior government officials were aware of the danger at an earlier date and in greater detail than has been acknowledged up to now.

Libération said it also indicated that authorities put commercial protection of a French-made product ahead of the needs of patients.

A spokesman for Mr. Fabius declined to comment on the allegations, and Mr. Gros could not be reached.

According to the documents, it was not until July 23, 1985, that Abbott Laboratories, an American firm, received permission to market its AIDS test, which had been authorized for use in the United States as early as March 2.

By the time the test was authorized for sale in France, a French product developed by the Diagnostics Pasteur company had been developed, and was then used almost exclusively to screen donated blood for HIV antibodies.

Dreyfus Affair Is Back in France

Army Historian Is Dismissed for Doubting Innocence

By Alan Riding
New York Times Service

PARIS — On the centenary of the arrest of Captain Alfred Dreyfus on charges of treason, the Dreyfus Affair resurfaced here when France's defense minister dismissed the head of the army's history section for publishing a study that cast doubt on the Jewish officer's innocence.

Government officials said the minister, François Léotard, was furious when he read the three-page study, which described the deep divisions in French society created by the Dreyfus Affair but concluded merely that "Dreyfus's innocence is the thesis now generally accepted by historians."

For the French state, Dreyfus's innocence was proven by an appeals court that ordered his reintegration into the French Army in 1906. The officer, who had been accused of spying for Germany, served in World War I and was promoted to lieutenant colonel.

Yet the publication of the study in the army magazine, Actualité, and Mr. Léotard's rapid dismissal of Colonel Paul Gaujac as head of the army's history section, illustrated how the wounds opened by the Dreyfus Affair at the turn of the century have still not fully healed.

Dreyfus was arrested in October 1894 after a French spy in the German Embassy in Paris found a document that supposedly carried his handwriting. The case set off a wave of anti-Semitism and, stripped of his rank, he was deported to Devil's Island, off the coast of French Guiana. In a new trial in 1899, he was sentenced to a further 10 years' imprisonment.

By then, though, demands for his rehabilitation were growing, spearheaded, among others, by the author Emile Zola, whose famous newspaper article, "J'Accuse," charged that the army general staff had concocted the case against Dreyfus. Finally, in July 1906, a civilian court overturned the verdict.

For the powerful "anti-Dreyfusards," who included rightists, monarchists, prominent Catholics and anti-Semites, this ruling was a major political setback, but they nonetheless worked to keep alive doubts as to Dreyfus's innocence. The officer died in 1935, but to this day French military justice has not reversed its 1899 verdict.

In the study published last week in Actualité, the "Dreyfusards" are described as socialists, Freemasons, republicans and a Rights of Man League who were intent on breaking "the military caste," while the right — the "anti- Dreyfusards" — saw the affair as an attempt to destabilize the army.

The study glosses over the wrongful conviction and the army's persistent efforts to cover up its responsibility, emphasizing instead "the dismantling of French military intelligence and a reduction of funds for the armed forces at a time when Germany was rearming."

A French historian, Jean-Denis Brédin, the author of a biography of Dreyfus, said the study was a caricature. "Unfortunately, it confirms the persistence of the old anti-Dreyfusard mentality, conserved and transmitted for over a century," he said in an interview with Libération.

ULSTER: *A Set of Deadly Codes*

Continued from Page 1

both sets of paramilitaries that they don't knock off their top members. It's a very comfortable situation and they don't want to upset the status quo."

Undoing rules of political violence is a central, as yet unrealized challenge for negotiations over Northern Ireland's future. The peace process was reborn in December with a joint declaration of principles by Britain and Ireland and is presently nurtured in hopeful talk among all parties about a democratic peace to end a war that has claimed about 3,400 lives since 1969.

But addressing the actual conduct of political violence here is "extremely difficult and that's something nobody has addressed," Mr. Maxwell said. The accumulation of carnage has fostered a culture of political murder which serves as "a method of control, of suppressing protest and questioning. The entire community has been censored."

The human-rights group Amnesty International published a 48-page chronicle and analysis of Northern Ireland's street violence on Tuesday, describing in detail political killings by all sides from 1982 to the autumn of 1993.

These details were included in Amnesty's catalog:

- From 1985 to September 1993, IRA soldiers murdered 30 people — fruit vendors, wood sellers, catering workers, building supply contractors — solely because they performed outside contract work for the roughly 18,000 British security forces stationed in Northern Ireland.
- Since 1991, Protestant and Catholic armed groups have carried out well over 200 vigilante "kneecappings" of civilians for alleged violations of such community standards as drug dealing, car robbery and refusing to permit the theft of vehicles demanded by paramilitary squads to carry out armed operations against their enemies.
- In the face of persistent evidence that British security forces have sometimes chosen to deliberately kill terrorist suspects rather than arrest them, Britain's government "evades responsibility by hiding behind an array of legal procedures and secret inquiries which serve to cloud the issues," Amnesty said.

In a sense, the report catalogs informal codes of political violence that would have to be superseded by credible rule of law if peace were ever to take hold in Ulster.

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THE AMERICAS / FIRST 100 HOURS

Perry Passes Some Tough Tests, Only Slightly Dazed

By Eric Schmitt
New York Times Service

WASHINGTON — In his first 100 hours as defense secretary, William J. Perry weaved his way through a field of national security land mines, escaping slightly frazzled but unbloodied.

Sworn in Thursday to replace Les Aspin, Mr. Perry joined administration officials at the White House the next day to tighten economic sanctions on Haiti's military government. Then he boarded an air force jet for Munich and a conference on European security issues.

Some legislators and even administration officials have raised doubts about whether Mr. Perry, who made his name as a technocrat, not a diplomat, can handle foreign-policy matters. But in Munich he sounded like a statesman in urging European support for Russia's economic and political reforms, and in beckoning nations outside of the North Atlantic Treaty Organization to join the Partnership for Peace program that seeks to bring nonmembers into closer relations with the alliance.

On Sunday, with the carnage from Saturday's attack on a Sarajevo marketplace dominating the news, Mr. Perry deplored the attack and urged a common approach to ending the strife. "He was precise and to the point," said Volker Rühe, Germany's defense minister.

On the flight home Sunday, an engine on his four-engine plane conked out, forcing the jet to land at Mildenhall Air Base, 70 miles (110 kilometers) north of London.

Mr. Perry took the detour in stride. He mingled with the troops at the officers' club until a second plane, full of legislators who also attended the Munich conference, swung by to pick up the stranded secretary and his entourage.

From the Dressed-for-Success Department: Mr. Perry said last weekend that one of his first secretarial acts was to buy a suit — off the rack — for his formal swearing-in ceremony later this month.

Mr. Perry was referring to those critics who said Mr. Aspin did not help his shambling image by wearing rumpled, light tan, ill-fitting suits.

When asked what color he picked, Mr. Perry said: "Dark blue, you bet. I learned my lesson well."

Mr. Perry, frequently identified as a former engineering professor with a Ph.D. in mathematics, has a reputation for bookishness he is eager to shed.

But he did not advance his own cause last weekend when someone interrupted his talk about peacekeeping, Ukrainian nuclear weapons and the Bosnian crisis to ask if he believed Fermat's last theorem had really been proved.

Suddenly, Mr. Perry's eyes lighted up. Fermat's last theorem — it says that X raised to the Nth power plus Y raised to the Nth power equals Z raised to the Nth power is true when N equals the integer 2 and no other — is one of the most enduring and difficult problems in mathematics.

Fermat, a 17th-century French mathematician, wrote in the margin of one of his notebooks that he had proved it but that there was no room in the margin to write it out. Then he died, and mathematicians have been struggling with it ever since. A Princeton mathematics professor announced last year that he had discovered a proof.

Mr. Perry confided that off and on during a year of graduate school at Stanford he had tried to solve the 350-year-old problem — unsuccessfully.

But that does not make him a scholarly type, he maintained. "Someone wrote that I was bookish," said Mr. Perry, who quoted the poets T. S. Eliot and W. H. Auden in his speech to the conference on European security. "I haven't had a chance to read a book in six months."

A Health Plan Study Sees Deficit Swelling

'We'll Fix That,' Clinton Says

The Associated Press

WASHINGTON — President Bill Clinton's health plan would drive the federal deficit up by $74 billion over the next six years, not cut it by $58 billion as the White House has forecast, the Congressional Budget Office said Tuesday.

The budget office said Mr. Clinton's program would require more subsidies for employers than the White House had initially projected. It also predicted that more low-wage workers would qualify for the promised subsidies.

In another setback for the White House, the budget office said Mr. Clinton's mandatory premiums for employers should be included in the federal budget. Mr. Clinton wanted the premiums treated as private transactions, off the budget.

Mr. Clinton said the new estimates would not deter him. "We'll fix that," he said in Louisiana after making a speech. "That's not a problem. That's a Washington policy wonk deal. No serious person out here in the real world will be too troubled by that."

The director of the budget office, Robert D. Reischauer, in testimony before the House Ways and Means Committee, said Mr. Clinton's proposal would bolster national spending on health in its early years. But, he said, the plan would "reduce spending for health in the longer run" and could reduce the deficit after 2004.

He estimated the plan would reduce the deficit by $10 billion in fiscal 1995, but then increase it from 1996 through 2000 by more than $80 billion.

The office estimated that employers' subsidies would cost $58 billion in the year 2000 alone, or "$25 billion more than the administration's figure of $33 billion."

Mr. Clinton's program, which seeks to guarantee private coverage for all Americans no later than January 1998, should be included in the federal budget because "it establishes both a federal entitlement to health benefits and a system of mandatory payments to finance those benefits," the budget office said.

It said the regional alliances where most Americans would get their coverage "would operate primarily as agents of the federal government."

Accordingly, the report said, the budget office "believes that the financial transaction of the health alliances should be included in the federal government's accounts and that the premium payments should be shown as governmental receipts rather than as offsets to spending."

But it said the alliance operations should, like Social Security, be listed separately from other federal operations.

Clinton Choice Says He Supports Israel

The Associated Press

WASHINGTON — Strobe Talbott, President Bill Clinton's choice for the No. 2 post at the State Department, insisted Tuesday in Senate hearings that he was a staunch supporter of Israel in spite of writings critical of the Jewish state.

"I have always believed that the U.S.-Israeli relation is unshakable," Mr. Talbott said at a Senate Foreign Relations Committee confirmation hearing.

Mr. Talbott was questioned by Democrats and Republicans about his writings as a Time magazine reporter before he joined the administration last year. Questions focused particularly on a 1981 article in which he suggested that American Jews had political influence far beyond their numbers and that Israel had become an "outright liability."

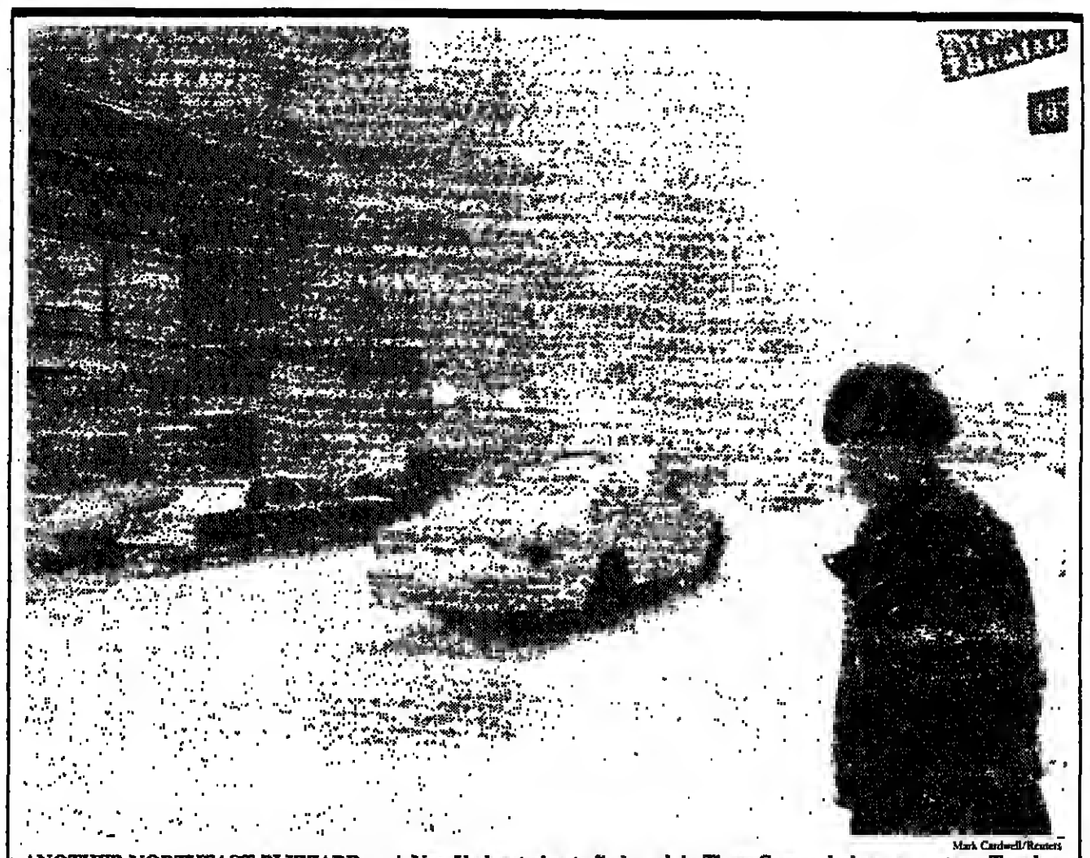
"I certainly don't feel the way I did 13 years ago on this," Mr. Talbott said in the issue of Israel's strategic importance. "I simply changed my opinion."

Several Jewish groups, including the Jewish Institute for National Security Affairs and the National Jewish Coalition, have called on Mr. Clinton to withdraw Mr. Talbott's nomination to be deputy secretary of state because of an alleged anti-Israel bias.

Two Republican senators, Connie Mack of Florida and Alfonse M. D'Amato of New York, spoke against Mr. Talbott because of his "extreme views." However, Israeli's deputy foreign minister, Yossi Beilin, defended Mr. Talbott as "a very good man."

Mr. Talbott, a close friend and former roommate of Mr. Clinton's at Oxford, is currently the State Department's ambassador-at-large to the republics of the former Soviet Union. He easily won confirmation to that post a year ago.

In his new post, he would be responsible for the management of the State Department as well as being involved in key policy decisions.



Mark Cardwell/Reuters

ANOTHER NORTHEAST BLIZZARD — A New Yorker trying to find a cab in Times Square during a snowstorm Tuesday. Flights into Kennedy International and Newark International airports were halted, and delays were reported at La Guardia Airport.

Clinton Tries to Deflect Insurers' 'Propaganda'

By Ruth Marcus
Washington Post Service

SHREVEPORT, Louisiana — President Bill Clinton assailed what he called misleading "propaganda" about his health care plan from the insurance industry on Tuesday and said "enlightened business leaders" understood the need for coverage for all Americans.

Mr. Clinton told workers at a General Motors plant here that insurers now had too much power to decide who gets health insurance and who does not. "We ought to stop it," he said.

Mr. Clinton also criticized an insurance industry advertising campaign that portrays the Clinton program as a government takeover of the health-care system that would deny individuals the freedom to choose their doctors.

"I get tickled," he said, "when I read these ads by these folks that are so desperate to keep the system we have now and they say, Oh, the president wants to have the government take over the health-care system."

"That's not true," he said. "We're moving the insurance companies out of the driver's seat and letting the people and the businesses have more influence."

Mr. Clinton's appearance in Shreveport was part of an effort to rebut arguments against his plan and deflate the growing appeal of a rival plan proposed by two fellow Democrats, Representative Jim Cooper of Tennessee and Senator John B. Breaux of Louisiana.

Mr. Clinton referred obliquely to that plan, which unlike his own would not mandate coverage for all Americans but would provide "universal access" to health benefits by trying to make insurance more affordable.

"Don't fall for all this rhetoric about universal access," Mr. Clinton said. Gesturing to a gleaming, new pickup truck, he said: "We have universal access now if you've got $10,000 or $15,000. There's universal access to this truck, but only people with the money can pay it."

Richard Bissell Dies, Planned Bay of Pigs

New York Times Service

WASHINGTON — Richard Bissell Jr., 84, the senior government official who took responsibility for the Central Intelligence Agency's failed attempt to topple the Castro government at the Bay of Pigs in Cuba in April 1961, died Monday in Farmington, Connecticut. His assistant said he had been having heart problems.

While Mr. Bissell's role as a principal architect of what became a disaster for the newly installed Kennedy administration is widely remembered, he had already made great, largely unsung contributions in other fields of government service during and after World War II.

As a special assistant and later deputy director of plans for Allen Dulles, the CIA chief, Mr. Bissell guided the agency's clandestine program for building the high-flying U-2 reconnaissance aircraft, as well as its supersonic successor, the SR-71, and the first orbiting spy satellite, called Corona.

He became known within the agency and in aviation circles as a pioneer of aerial reconnaissance.

Recalling that Mr. Bissell "helped design and develop the specifications for the U-2," Richard Helms, a former director of central intelligence, said Monday that he would "be remembered in the intelligence community as one of the fathers of high-altitude photographic reconnaissance which, as it developed, did much to improve intelligence during the Cold War."

In his capacity as head of clandestine operations, Mr. Bissell also was responsible for the CIA's creation — at President John F. Kennedy's request after the Bay of Pigs — of a top secret assassination project, code-named ZR/Rifle, whose target was Fidel Castro, prime minister of Cuba at the time.

Tiana Lemnitz, 96, a German soprano whose performances of Wagner and Mozart from the 1930s to the 1950s brought her fame, died in a Berlin hospital Saturday.

AMERICAN TOPICS

L.A. Public Garages Hit Hard by Quake

Of all modern buildings damaged in the Los Angeles earthquake on Jan. 17, public garages were hardest hit, according to a preliminary report by the University of California-Berkeley's Earthquake Engineering Research Center. New parking structures were more damaged than older ones built at a time of weaker building codes and less engineering knowledge.

Typically, public garages feature long spans and open architecture, both to save money and park the largest number of cars. Interior partitions and walls, which would dissipate part of a quake's destructive energy, are kept to a minimum. Exterior walls also have large openings, to help light and ventilate the building, thus providing fewer structural elements to absorb the shock.

The worst damage was to garages assembled from precast concrete sections. More expensive, but more quake-resistant, is pouring the concrete into forms to harden as a single unit, or building with steel, which is the most quake-resistant material of all, the Los Angeles Times reports.

Short Takes

Sugar, it is widely believed, is bad for children because it not only damages their teeth, but also can send them spinning into a frenzy. Yet study after study has found that sugar has no effect on behavior. Scientists say children may indeed get overexcited when they eat sugar — excited by expectations of a sweet treat. That, The New York Times reports, is why researchers design studies to make sure the children and their parents do not know when they are eating sugar.

Most new cars are equipped with air bags. Now Breed Technologies of Lakeland, Florida, has begun selling an "after market" driver's side air bag — actually a replacement steering wheel that contains both air bag and sensors to detect a crash — for people who would like air bags but are not ready to trade in their cars. The cost is $700 to $900.

Gem of the Day, from the Ann Landers advice column: If at first you *do* succeed, try something harder.

Of Patriotic Paintings Hanging in the Mind

Washington crossing the Delaware, the Pilgrims' first Thanksgiving and William Penn's treaty with the Indians are featured in "Picturing History: American Painting 1770-1930," currently showing at Washington's Corcoran Gallery.

Paul Richard of The Washington Post is moved to reflect, "Its canvases are chestnuts, their pomposities are painful." Indeed, "most will make you cringe." For "the boringly good-looking people in these paintings — the humble, pious Pilgrims, the Founders in their powdered wigs, those brawny pioneers — strike the sort of poses one sees in silent movies." In a word, "this exhibit drips with hokum."

And yet: "There is something that prevents us from laughing at these pictures. . . . For most of us have in some corner of our brains a patriotic hall of fame, a gallery of icons, and much of it was installed by images like these."

Arthur Higbee

Witold Lutoslawski, 81, Leading Polish Composer

The Associated Press

WARSAW — Witold Lutoslawski, 81, the dean of Polish composers, died Monday in Warsaw, PAP news agency reported.

Mr. Lutoslawski was a leading figure in contemporary music after World War II, a period in which Poland was virtually the only country in Eastern Europe producing music related to the Western avant-garde. Many of his compositions were openly influenced by the works of Bela Bartok.

His Symphony No. 3 brought him the Grammy Award for best contemporary composition in 1983. It also won the first University of Louisville Grawemeyer Award for Music. Several other compositions received Grammy nominations. In January, Mr. Lutoslawski received Britain's Classical Music Award for his Symphony No. 4.

Born in Warsaw in 1913, he first studied mathematics before pursuing music at the Warsaw Conservatory. Since 1964, he had frequently appeared worldwide as conductor of his own works.

Krzysztof Penderecki, another leading Polish composer, said that "the man who created the great part of Polish 20th century music has gone."

"He taught us Polish music and introduced it to Europe."

JAPAN: *A Tepid U.S. Response*

Continued from Page 1

negotiators would be able to come up with some concrete agreements. But with that looking increasingly unlikely, American officials are now talking more about how they should deal with what could be a downbeat, and openly confrontational, summit.

Clinton administration officials say they believe that they are in a win-win situation when it comes to the meeting: either Mr. Hosokawa will make some last-minute concessions and Mr. Clinton will be able to hold up the results as a victory, or the president will take a harsh and public line with the Japanese, which officials believe will play well with the American public.

On Capitol Hill, there is a strong move afoot for taking a tough stand with Mr. Hosokawa, including breaking off these negotiations altogether and simply using unilateral American trade sanctions to try to break open Japan's closed markets.

Mr. Hosokawa's plan involves the largest such stimulus program ever proposed in Japan. It includes a one-time income-tax rebate totaling nearly $55 billion.

The plan also includes $21 billion for government purchases of land for public works programs, which would have the effect of reviving the moribund real estate market, where prices have tumbled more than 50 percent over the last four years.

Despite the agreement, the political damage has been done. Polls showed Tuesday that Mr. Hosokawa's approval ratings have plummeted more than 20 percentage points, to around 50 percent, since he set off a storm last week with his proposal for the sales-tax increase.

Economists have said the new plan should make the difference between Japan's economy shrinking again this year or posting modest growth as part of a longer-term recovery. Nevertheless, the consensus seems to be that growth will remain at about 1 percent or less.

★ POLITICAL NOTES ★

No-Smoking Public Buildings?

WASHINGTON — The Clinton administration is backing legislation to ban smoking in all buildings used by the public, from taverns to hardware stores, saying the nation could save tens of billions of dollars each year, along with 38,000 to 108,000 lives, with only small enforcement costs.

In addition, each of the last six surgeons general of the United States, from four Republican and two Democratic administrations, has spoken in support of the measure at a House subcommittee hearing. They echoed the theme that this single measure could do more for the public health than any other bill in years.

Speaking against the measure was Charles O. Whitley of the Tobacco Institute, which represents large tobacco companies.

"This attempt to ban smoking is an example of social engineering on a vast scale," Mr. Whitley said. "Such massive intervention in the private lives and choices of one-quarter of our adult population recalls the extremism of Prohibition, the last national crusade against a supposed social evil."

The proposed legislation, the Smoke-Free Environment Act, was debated at a hearing of the Subcommittee on Health and the Environment. It would ban smoking in every building regularly entered by 10 or more people at least one day a week, not including residences.

Building owners could have special smoking rooms in public buildings if the rooms were not used for anything else and were ventilated directly outside, rather than circulating air back into the building. The bill would also ban smoking within the immediate vicinity of the building entrances. *(NYT)*

'Earth Budget' Draws Praise

WASHINGTON — While President Bill Clinton has taken a few lumps from environmentalists recently, his second budget is being viewed widely as broadly protective of America's natural resources.

From spending more money to protect wetlands, rivers and lakes to getting Americans to burn less oil instead of drilling for it in an Arctic refuge, the Clinton proposals brought praise from environmental leaders.

"This is an Earth budget," said Ralph DeGennaro of Friends of the Earth. *(AP)*

Early Retirements Made Easy

WASHINGTON — Three of the largest federal departments — Agriculture, Interior and Transportation — have been given expanded authority to offer early retirements any time and at any location to eligible workers. Nearly 35,000 people in the three departments could qualify for early retirement on immediate pension.

If coupled with cash buyout payments, which Congress may consider next week, the expanded authority could permit federal agencies to meet the president's 252,000 job cut goal without resorting to last-hired-first-fired layoffs. *(WP)*

Quote / Unquote

Treasury Secretary Lloyd Bentsen: "The American job machine is now up and running." *(AP)*

Away From Politics

- **Intense downpours in Southern California** from the most powerful storm of the winter lashed the fire-denuded hillsides, unleashing destructive mudslides that inundated beachfront homes in Malibu. Commuter traffic, already crippled by earthquake detours, slowed to a crawl in many areas as low-lying intersections began to flood and vehicles started skidding on rain-slick streets.
- **Two members of the U.S. Army's precision parachute team,** the Golden Knights, collided during a practice jump at Yuma, Arizona. One died and the other lost both legs. Sergeant Jose Aguillon of San Antonio suffered a fatal heart attack after landing in a tree. Sergeant Dana Bowman, of North Ridgeville, Ohio, landed in a parking lot, suffering injuries that forced amputation of both legs below the knee.
- **An 8-month-old girl was killed by a bowling ball** dropped from an overpass in Jersey City, New Jersey. The ball slammed through the window of a car and struck the girl in the face. She had been riding in the back seat of the car with her 3-year-old brother.
- **Testimony on whether Michael Jackson sexually molested** a young boy will be heard by a grand jury convening Wednesday in Los Angeles, according to a local television station. KNBC. It quoted sources as saying Marlon Brando's son, Miko, a former Jackson bodyguard, would be the first witness. *LAT, AP, Reuters*

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Let's See if NATO Can Act

The Challenge Is Clear

The single, presumably Serbian-fired mortar shell that killed 68 Bosnian civilians in a Sarajevo market changes really nothing. But in the universe of CNN that we all now inhabit, it has sparked a new round of international shock and indignation. The question is whether the embers of emotion will burn down before the bestirred governments act.

As always, there are powerful reasons to evade a change. Air strikes, in their several modes, offer undeniable tactical uncertainties and tempt Serbian retaliation against peacekeepers and aid workers. Even to keep on the old sanctions, let alone to add new ones, aggravates the mounting fatigue of nearby states crucial to enforcement. Lifting the arms embargo to permit Muslims something closer to parity with Serbs and Croats threatens to escalate the war and derail international diplomacy.

But none of these considerations is overwhelming; all are judgment matters. On air strikes, the Gulf War showed the possibilities of precision bombing; political and military responses to Serbian retaliation are available; credibility has its continuing uses in the post-Cold War world. As for sanctions, they may be a wasting asset, but while they last they hurt. To lift the arms embargo is to allow the Muslim-led Bosnian government, otherwise without effective international aid, an expanded self-defense. It fights, after all, for its own towns and to reverse the "ethnic cleansing" that others profess to deplore.

But who at this late date can believe that policy turns on position-paper analysis of options? Certainly standards of reasonable sense must be met. But, as the Sarajevo blast reminds us, the real issue is whether the United Nations and especially NATO can act in a situation which has its contrary aspects but which remains in essence a case of rampant Serbian brutality. The American government occasionally grasps parts of the point but in general tends to conduct a rambling and endless seminar with itself, rather than make timely decisions consistent with the obligations of American leadership.

How many times can the United States go up and down the hill on air strikes, for instance? How long can Bill Clinton talk of lifting the arms embargo without making it a forceful priority at the United Nations? How could he move over the weekend, suddenly and without explanation, from rejecting to accepting an unfair international deal resisted by the Muslims? How could he allow himself to muse, in a way comforting to Serbs, on the authorship of the latest mortar attack? The challenge before President Clinton is very clear.

— THE WASHINGTON POST.

No to an Unjust Peace

The mortar shell that turned Sarajevo's main market into a killing field Saturday afternoon heightens pressure on NATO leaders, Bill Clinton included, to find a way to hasten the end of the 22-month-old Bosnia war. But it would be perverse indeed if this latest Serbian atrocity became the occasion for President Clinton to abandon his long and principled resistance to French and British pressure to impose an unjust and unenforceable settlement on the Bosnian government.

European governments have been playing a cynical game. Until Serbian gunners pushed matters too far last weekend, the Europeans were perfectly willing to use the shelling of Sarajevo and other cities to pressure the Bosnian government to accept a bad partition plan that denied them vital territory and transit routes. If they now agree to endorse NATO air strikes against the siege guns, they fully expect Washington, in return, to join in their diplomatic gang-up, at the very moment when the Bosnian government has begun to gain military strength, reversing some of its earlier losses.

Mr. Clinton must tell the Europeans no deal. Instead he should call on them to lift the one-sided United Nations arms embargo so that the Bosnians can properly defend themselves. In that context, and in that context alone, NATO air strikes, with European as well as American planes participating, could speed a decent end to the conflict.

What has held up air strikes until now is a joint UN-European Union strategy based not on stopping aggression but on forcing a negotiated peace. While diplomacy is generally preferable to warfare, the flaw in this strategy has been the false moral equality it has applied to the Serbian and Croatian aggressors and their Muslim victims.

An arms embargo theoretically applied to all sides has until recently disarmed only the land-locked Bosnian defenders, not the Serbian and Croatian attackers who manage to produce or smuggle in all the guns they need. Pressure on the Serbs has consisted of economic sanctions that have grown increasingly porous; the Croats have received little more than words of warning. Meanwhile, the Bosnians have been pressured to accept a truncated share of territory by the siege guns shelling Sarajevo and other government-controlled cities.

In the name of this "evenhanded" strategy, European and UN officials left that artillery unmolested, despite Security Council resolutions proclaiming those cities protected safe havens and NATO resolutions threatening air strikes unless the Serbs lifted the sieges.

The callous amorality of this "evenhandedness" rightly repelled the Clinton administration, which, although it had no clear strategy of its own, refused to endorse the efforts of its allies to let the Serbian siege artillery batter the Bosnians into accepting an unjust peace. Not only principle is at stake. Given the bitterness of this conflict, a peace imposed at the bargaining table is guaranteed to be resisted in the forests, mountains and cities of Bosnia. Any international force deployed to enforce or even monitor such a sullen peace is likely to become a target for all sides.

Now the carnage inflicted by the Serbian artillery may be more than any democratically accountable government can abide. But as the Europeans soften their opposition to punitive air strikes, Washington must stand firm on the principle of not imposing an unjust peace.

— THE NEW YORK TIMES.

A Good Job on the Budget

President Bill Clinton moved on Monday to take possession of still another Republican issue. To crime and welfare reform you can now add spending restraint. He submitted a budget under which spending in the next fiscal year would rise by only 2.3 percent, or $34 billion. That is less than the likely inflation rate and slightly less than the so-called "current services" estimate of what it would take to keep the government going next year on automatic pilot — no policy changes either up or down. In real terms under the Clinton proposal, reflecting in part some tough spending terms that Congress forced on the new administration last year, the government would shrink.

Criticism of the proposal was muted, again a reflection of the fact that it is a product of an agreement last summer in which Congress and the administration both had a hand. But such criticism as did occur came partly from liberal Democrats wanting to spend more, not just from Republicans claiming to want to spend less. Yes, there is going to be a debate over how to account for the spending in Mr. Clinton's health care plan and whether to add it to the budget (even though most of it is occurring already). But the president seems to have pretty well inoculated himself against the charge of tax and spend. He proposed to practice a restraint that his predecessors mainly preached.

The four great engines in the budget are Social Security, Medicare, Medicaid and interest on the debt. Together they are expected to cost about $50 billion more in 1995. Defense is slated to cost $7 billion less. There will also be some savings from the economic recovery — unemployment insurance costs will decline — and the government will make more next year than this from the sale of assets acquired in the takeover of failed S&Ls. The rest of the budget is pretty much a wash. The rules are such that just about any legislated increase in spending has to be offset by a cut. The budget does include some increases in favored programs in the name of investment. They are indeed offset, some of them by cuts in programs — public housing is an example — that are Democratic to the core.

Republicans will say this year, as they did last year, that Congress should pocket the cuts and forget the investments; the proceeds would go to deficit reduction. The Senate is also scheduled to take up this month the so-called balanced budget amendment to the constitution. But social policy should not be suspended for the next few years — the country has a social as well as a budget deficit to overcome — and the constitutional amendment would do less to balance the budget than it would to restore political gridlock. You do not have to hide behind the constitution to achieve fiscal responsibility; you just have to make a few tough calls. The president has done a good job.

— THE WASHINGTON POST.

Other Comment

Islam and Extremism

Many people in the Islamic world genuinely fear Western materialism and mass culture as a deadly challenge to their Islamic culture and way of life. We fall into the trap of dreadful arrogance if we confuse "modernity" in other countries with their becoming more like us.

Our form of materialism can be offensive to devout Muslims. We must understand that reaction. This would help us understand what we have come to see as the threat of Islamic fundamentalism. We need to be careful of that emotive label, "fundamentalism," and distinguish, as Muslims do, between revivalists, who choose to take the practice of their religion most devoutly, and fanatics or extremists, who use this devotion for political ends.

We must not be tempted to believe that extremism is in some way the hallmark and essence of the Muslim. The Prophet himself disliked and feared extremism.

— Prince Charles, speaking at the Oxford Center for Islamic Studies.

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The Bosnia War Crimes Could Well Go Unpunished

By Sadruddin Aga Khan

GENEVA — The slaughter of 68 people at a crowded market in Sarajevo on Saturday brutally demonstrates how ineffectual Western leaders and the United Nations have been in stopping the genocide in Bosnia.

Less noticed is the discreet gutting of the one opportunity for justice — however inadequate — that the international community had promised to the citizens of that abused country.

The teeth are being pulled from the International War Crimes Tribunal, set up by the UN Security Council with fanfare last year. The UN War Crimes Commission, which is charged with assembling evidence, will soon be disbanded.

This is being done by the very statesmen who hailed the tribunal — at least publicly — as the means of ensuring that however unfavorable a peace settlement would be to the Bosnians, they could at least see justice done to the perpetrators of mass rape, murder and torture.

For people who have lost family, homes, communities and country, the prospect of protracted international legal proceedings against the Serbian and Croatian leaders Slobodan Milosevic, Franjo Tudjman, Radovan Karadzic and their lieutenants might seem cold comfort at best.

Yet, as the Nuremberg trials demonstrated, holding a vicious regime to account is an important act of renewal for both sides.

Now that opportunity may be lost.

The UN secretary-general, Butros Butros Ghali, has indicated that he expects the War Crimes Commission to wrap up its work by April. This abrupt closing of the investigation before the tribunal is properly up and running is already having consequences on the ground. It has raised doubts about the tribunal's legal authority for completing the exhumation of a mass grave of Croatian victims of suspected Serbian war crimes in Vukovar. Future investigations, and therefore prosecutions, are also likely to be undercut. To make things worse, the Venezuelan appointed to be chief prosecutor has now renounced the job to pursue a political career. This means further delay.

International leaders are engaged in a monumental whitewash of Serbian and Croatian leaders for reasons of political expediency, to keep them at the negotiating table.

Reluctant to use air strikes or other military intervention, Western politicians offer these leaders a new respectability and the promise of eventual financial support, grateful for any indication that they will stop the atrocious war.

Many of the international negotiators who initially went along with the idea of a war crimes tribunal probably never thought of it as a practical possibility, but as a convenient way to silence human rights activists and other supporters of the Bosnians. Perhaps they thought the tribunal could be used later as a bargaining chip to win Serbian and Croatian agreement to a peace settlement.

For critics of the West's cowardly stance during this savage war, however, the tribunal mattered: It offered some prospect of accountability.

Although it was never likely that the paper trail would exist to implicate top officials, the successful prosecution of field commanders and local extremists who encouraged mass rape and murder might have begun a healing process after the war.

Now, though, the neutering of the international tribunal is under way. Only a facade will remain, it seems — one that can be counted on not to produce embarrassing prosecutions. A neat Machiavellian bargain.

Consider the separate agreement signed last year by the Bosnian Muslim leader Fikret Abdic with Serbia. It is an indication of what an eventual peace treaty between the warring parties could encompass. The agreement states that each side will prosecute its own, and that each regards the conflict as an internal matter.

The implications for potential war crimes trials are significant. Under international law, only international wars can produce such crimes. Thus, threats of war crimes prosecutions from the UN tribunal would become meaningless.

Fortunately, the tribunal also has jurisdiction over two other categories of crimes — genocide and crimes against humanity, the latter covering crimes such as mass rape.

For these categories, international prosecution overrides national law. Yet even here jurisdiction without political will is ineffectual.

The goal of prosecuting and punishing offenders must not be abandoned. It is not only a question of punishing barbaric crimes. It is just as important that we have a complete historical record of the war. We owe it to the victims, we owe it to ourselves and we owe it to history.

Above all, by insisting on such a record, we reassert our own humanity and decency and declare solidarity with those who have suffered.

We also send a strong message to other potential violators. There must be a clear threat that even if these criminals remain protected at home, they will be pariahs abroad.

The latest outrage in Sarajevo requires an immediate response by the United Nations and NATO. But it requires more than that. An attack of that scale on civilians is a war crime. It urgently reminds us of the need for a strengthened international tribunal that can pursue a full investigation and bring those responsible to justice.

The writer was the United Nations high commissioner for refugees from 1965 to 1977. He contributed this comment to The New York Times.

NATO Is Realistic About Russia and Enlargement

By Michael Rühle

BRUSSELS — Even before the NATO summit meeting in January ended, many commentators had singled out the wimps and the losers: NATO and Central and Eastern Europe. For fear of Russia, the analysts said, NATO refused membership to the new democracies to its east; and in the Partnership for Peace, it offered them nothing more than a security placebo. In short, NATO missed an opportunity offered by Russia's weakness, and betrayed the hopes of the new democracies.

For more than 40 years, the thinking classes have been predicting NATO's failure. According to the latest gloomy forecasts, the alliance's future is as grim as ever. Some see it dissolving into "abstract multilateralism." Others say it must either go "out of area" — extending its reach — or "out of business."

What is surprising here is not only the choice of terminology — any cliché, from "appeasement" (Richard Perle) to "echoes of Yalta" (Zbigniew Brzezinski), seems worthy of reheating — but who is talking. Many of the commentators have adopted dramatically different stances from what they considered realistic in the past.

Consider, for example, James Baker, who demands clear criteria and a timetable for those countries that want to join NATO. As secretary of state, the smooth Mr. Baker would never have tied his policy to such a rigid framework.

Or consider Mr. Perle, attacking NATO's "appeasement" of Russia but forgetting that the Reagan administration joined in the "Gorbymania" of the late '80s that made even some of Mikhail Gorbachev's European fans shudder. And then there is Henry Kissinger, who eloquently questions a Western policy that he deems Russophile. Is this the same Mr. Kissinger who was the architect of U.S.-Soviet bilateralism, the virtuoso of secret diplomacy and of "back-channeling"?

Arguments about NATO have always provided a convenient battleground for partisan struggle in U.S. domestic politics. If the current arguments are considered on their own terms, they hardly warrant the rhetorical overkill we hear. A look at today's security landscape reveals why the course charted by NATO's 16 members is both right and far-reaching.

One does not have to suffer from "Moscow myopia" (Senator Mitch McConnell's term) to conclude that Russia, the strongest military power in Europe, will continue to require careful handling. This does not translate into a Russian veto on NATO policies, but it underscores that Russian perceptions have to be taken seriously.

NATO, which made a tremendous effort to contain the Soviet Union for four decades, cannot suddenly pretend that it does not care what is going on in Russia. This is especially true when NATO defense budgets are in free-fall — a fact that should give pause to those who argue in favor of extending security guarantees to others.

The goal of avoiding the isolation of Russia does not derive from an ill-founded Western belief in some form of therapy for Russia. It derives from the realization that it is too early to write Russia off as a sensible partner.

The NATO summit took place only a month after the first democratic elections in Russia. It does not require a leap of imagination to conclude that neither Mr. Baker nor Mr. Kissinger would now be advocating, if still in office, a policy of Russian isolation, when they strove continuously to engage the Soviet Union constructively in the past.

If there is any false belief in therapy, it is in the camp of NATO-enlargers, many of whom maintain that an expanded NATO would be in Russia's interest. In terms of stability in Central and Eastern Europe this may be true. But what constitutes Russian interests is a matter yet to be defined by the Russians themselves.

Events since the end of the Cold War have failed to persuade the Russian military that NATO's motives are benign. Explaining to a humiliated Russian military establishment that an expansion of NATO would be a net gain for them, not another defeat, would exceed even Henry Kissinger's ingenuity.

Critics of Partnership for Peace seem unwilling to appreciate the practical value of the program. The countries of Central and Eastern Europe will be given an opportunity to make their military structures compatible with NATO's, an essential condition for future membership. And transparency in defense budgeting and the need for democratic control of armed forces are being promoted through cooperation in the Partnership.

One of the guiding principles of the Partnership is self-differentiation. Every partner is given the same chance at the start, but NATO proceeds on the realistic assumption that some might want to choose the fast track while others go slow.

With its offer of enhanced military cooperation through the Partnership for Peace, NATO has drawn the right conclusion from a security environment that is still in flux. The Partnership is a preliminary answer — a framework for an evolving process.

The writer, senior planning officer in NATO's political affairs division, comments here in a personal capacity for the International Herald Tribune.

Norway Hopes to Enjoy the Diversion

By John C. Ausland

OSLO — After King Harald V opens the Winter Olympics in Lillehammer on Saturday, Norway will be in the spotlight for two weeks. This prospect provides gratification but will also grant diversion.

Norwegians are modest people. Most are content for their country to come into the news only when the Nobel Peace Prize is awarded. But Norway's role in the Mideast peace talks brought it to center stage. Foreign Minister Johan Jorgen Holst's funeral was a media event, especially when the Israeli-PLO negotiations again moved briefly to Oslo.

Starting on Saturday, most Norwegians will spend two weeks in front of their television sets. They will proudly count the medals won by their countrymen. This will provide a pleasant diversion from what preoccupies them, their second debate in a quarter century over their relations with Europe.

In fact, Norway became firmly linked to the European Union on Jan. 1, when the awkwardly named European Economic Area came formally into effect. Norway and its Nordic neighbors, Sweden and Finland, will now gradually become a part of a Western Europe with (relatively) free movement of goods, people, capital and services.

While the public debate focused on membership in the European Union, the EEA treaty slid rather easily through the political process. Few Norwegians have the slightest idea of the treaty's contents. Someday they will realize that they are already party to a trial marriage with the Continent.

Given the extensive reach of the EEA, a question arises. In view of the odds against membership being approved in a referendum, why go through the pain of negotiations in Brussels and a debate at home?

The government would like to have a seat at the table in Brussels, and Prime Minister Gro Harlem Brundtland is not one to give up easily. Although one must hope she will overcome the odds against her, I have a feeling at times of watching for the second time a melodrama moving to an inevitable conclusion.

When discussing their relationship with Europe, Norwegians are hampered by a lack of experience in debating international economic questions. In order to maintain peace within the Labor Party after the 1972 referendum, discussion of relations with the Continent was minimized. As a result, the Labor Party does not have an oversupply of leaders trained to cope with the challenges that now confront them.

As the Oslo daily Aftenposten noted, the foreign minister brought into office by Mr. Holst's death, Bjorn Tore Godal, is the first representative of the 1968 generation to occupy that post. Like many of his generation, he once opposed membership in the European Community and NATO. Most of this group discovered, however, that they could not get ahead in Norwegian politics and oppose NATO. Many have also come to see Europe as a potential alternative to the Pentagon.

With so much attention focused on Europe, there is little left to worry about Norway's security. Still, Norwegians are well aware that there is a great deal of military power just to the east of them on the Kola Peninsula. The reassurance provided by the fact that much of it is rusting has been offset by signs that Russia is beginning to reassert itself. The recent Russian elections reinforced these concerns.

The discovery that the Russians were even worse housekeepers regarding their nuclear waste than was realized causes a more immediate anxiety. As Prime Minister Brundtland noted at the recent NATO summit, Norway is not the only country that needs to be worried about nuclear pollution of the sea and reactor time bombs. It is not easy to detect much that is being done about this. Norway lacks the resources, and Washington is concentrating on missiles targeted on the United States.

Preoccupation with other matters has meant that there has been little public reaction to the reduction of U.S. activities in Norway. For example, the decline in U.S. interest in Norwegian electronic installations has barely been noticed.

In an interview, Defense Minister Jorgen Kosmo stressed the importance of keeping up with nuclear activities on the Kola Peninsula. He was not so concerned about what Russian military authorities might do as about preventing nuclear weapons and fuel from falling into the wrong hands.

U.S. intelligence agencies are busy looking for new missions. The U.S. Navy has discovered that its devices for undersea surveillance of Soviet submarines can also be used to keep up with whales.

The Pentagon's decision to reduce U.S. Air Force activity, without first consulting the Norwegians, also attracted little attention. With the help of quick diplomatic footwork, quiet bilateral talks are now under way. U.S. Air Force operations will be reduced but perhaps not as much as they would have.

There was a time when the concern about Russia and the reduction of U.S. activities would have been big news here. Such matters cannot compete with the Olympics.

And then there will be the exhausting debate on Europe. The outcome will not hinge on the difficult issues being negotiated in Brussels — agriculture, fishing, oil. The crux will be whether Norway should abandon the independence it obtained less than a hundred years ago, after centuries of flying the Danish and then the Swedish flags?

International Herald Tribune.

He Is Wise To Proceed With Care

By Richard Cohen

MUNICH — The Clinton administration finds itself in a bind regarding Bosnia. Having talked tough but acted meekly, threatening air strikes but authorizing none, it now finds itself in a put-up or shut-up dilemma. For the moment, it has chosen the prudent — but to some, less satisfying — course. It has decided to shut up and think things out.

That is smart. The insistent calls from members of Congress and others to punish the Serbs from the air are uttered as if air power was some sort of panacea — and not, possibly, the first step toward escalation of the war, including the targeting of installations in Serbia proper. But while bombings would hurt the Serbs, it's not likely that they will end the war. Air power never does.

That was the lesson of Vietnam, a losing war, and even of Desert Storm, a winning one. Massive bombing did not bring the Vietnamese Communists to their knees. Even in Iraq, it took ground troops to bring the war to an end. And despite absolute control of the air, the United States and its allies were never really able to locate Iraq's Scud missile sites. How air power will find and destroy mobile artillery in mountainous Bosnia is a question American policy-makers ought to ponder.

And pondering they are. At a conference here devoted to strategic issues, Bosnia was nowhere on the agenda but on everyone's mind. The killing of 68 persons in a Sarajevo market came to the conference hotel on CNN. Almost immediately, Defense Secretary William Perry was asked what Washington was going to do. He could only repeat the administration's long-standing pledge, a kind of wagging finger at the Serbs: Keep it up and we'll bomb you.

But outside the meeting room, senior NATO military officers were at a loss to translate that pledge into a winning strategy to end the war. To the threat of using air power to lift the siege of Sarajevo and open the airport at Tuzla, a senior military official could only express puzzlement: How can the Sarajevo airport be kept open when it is vulnerable to fire from the surrounding mountains? As for Tuzla, the Serbs have closed the airport there to relief flights, but are allowing truck convoys in. Air strikes there could mean the end of the convoy operation.

CNN's pictures from Sarajevo had an immediate impact on the conference here. After a dinner, a group of Americans including Senators John Glenn of Ohio and Christopher Bond of Missouri peppered NATO's top brass with questions about what could be done. The answers, unfortunately, are the same in private as they are in public. Air strikes might jeopardize UN peacekeeping troops. Air strikes might doom the humanitarian aid program which, so far, has largely succeeded. Wide-scale starvation in Bosnia has been averted. To that extent, the United Nations has done its job.

The deliberate murder of noncombatants is an obscenity. But all sides in the Bosnian war have committed foul deeds. And the line between combatants and civilians was obliterated in World War II. The Serbs may be beasts, but they are not original thinkers.

The Clinton administration seems to be arriving at a prudent policy on Bosnia. It is right not to react immediately to what is seen on television. It will also be right if, as it now seems, the administration takes a leadership role in bringing the warring parties to the negotiating table — and puts some muscle behind its intentions with covert operations aimed at the Serbs. At the same time, it can no longer afford to offer the Muslims the hope, no matter how understandable, that NATO air power will be used on their side. To the Muslims, air power is only an initial step — a hoped-for escalation that ought to give everyone pause.

The impulse to punish the Serbs is understandable. But those who advocate that course have an obligation to ask about the next step. Logic says it must be the bombing of military and infrastructure targets in Serbia proper and, if that fails, the introduction of U.S. ground troops — a step no one wants to take.

In the CNN age, the desire is to balance one image with another — to respond immediately to what is seen. But Mr. Clinton understands the implications. He has to worry if bombing will do more harm than good and what happens if the answer is the former. The stakes are great, not just for Bosnia and Europe, but for the Clinton administration. Bosnia, not health care, could be what makes or breaks it.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Setback in Africa

PARIS — The triumph felt in certain sections of the colonial party in France at the successful occupation of Timbuctoo by Colonel Bonnier's column has been but short lived. Despatches which arrived in Paris yesterday [Feb. 8] report that a French column at Timbuctoo has been massacred to the last man. It is far from clear whether it is a question of the main column under Colonel Bonnier's command or whether it refers to a flying column detached by him on some special service.

1919: Inaugural Flight

PARIS — Delayed by the foggy weather of the last week or two, the departure of the first public Paris-London aero-car took place at last yesterday [Feb. 8]. The Goliath, the famous Farman passenger machine, left the aerodrome of Toussus-le-Noble, near Versailles, at noon. Official bulletins had announced clear weather everywhere, although the cold was intense. The start of the giant aeroplane on its inaugural trip to London was witnessed by a good number of aviation enthusiasts and experts, who had gathered to wish the pilot and passengers "Bon Voyage!"

1944: A Speedy Drop

A FLYING FORTRESS BASE, England — [From our New York edition:] After jettisoning their guns, flak suits and armor plating to lighten the plane, the crew of a Flying Fortress badly damaged in today's [Feb. 8] Frankfurt raid established a mechanical record by cutting loose the plane's ball turret in fifteen minutes and dropping it on Germany. Second Lieutenant James P. Cain, bombardier, of Barnum, Iowa, said: "They told us over here that it had never been done before and that it would take at least two or three hours before it could be done at all. Well, the boys did it in fifteen minutes, and I hope it hit Hitler on the head."

OPINION

Once the Bombing Starts, The Road Signs Grow Dim

By A. M. Rosenthal

NEW YORK — U.S. participation in air strikes against Bosnian Serb artillery and mortar positions would be Act I of American military involvement in the Bosnian civil war — just Act I.

What are the scripts for Act II and Act III? The new secretary of defense, William Perry, asked those questions publicly, but did not answer. But President Bill Clinton will have to answer if he sends planes into action.

Wisely, he has resisted pressure to get militarily involved and still wants to stay out of the war. But the latest murderous shelling of Sarajevo is pushing him hard. The Bosnian Serbs say Muslims did it to bring foreign intervention. The world does not believe it.

An agreement pounded into Serbs by foreign bombs will guarantee guerrilla warfare — and the United States will be deep in the final act it dreads.

The president will not act alone. But with the participation of European allies he would go along — as some of his top people now urge.

Then, as they should remember, it becomes Mr. Clinton's war. Abroad, allies and enemies will not let him forget that. At home, Clinton's future will ride on the outcome of his war, fair enough since he will have brought the United States into it.

He pulled American troops out of Somalia, hesitated at the dockside in Haiti and wrestles with North Korea. A setback in Bosnia, or confusion about his goals, will not be the best road to a second term, or respect in the first.

The Act I bombing of artillery and mortar positions will not knock the Bosnian Serbs out. Act II will follow: air war against Serbia, the patron of Serbs living in Bosnia. That means hitting Serbian bridges, supply roads and airfields, including those in Belgrade.

The United States will be bombing a nation that infuriates the West now. But the same Serbian nation fought Hitler when other Balkan nations licked his boots.

How will we then get out of this Balkan horror? The theory is that Serbia will cave in; given its staggering economy that is possible. Then the West will impose terms.

The Muslims stand to get about 5 percent more territory than has been offered them now by the Serbs and the Croats — and, incidentally, it may also be necessary to bomb the Croats.

Maybe the Bosnian Serbs will fight on regardless. Or, as they have before, maybe the Bosnian Muslims will walk away from a partition agreement.

If bombing of Serbs and Croats does not bring agreement quickly, do we just go on bombing and bombing? According to the United Nations, the Muslims in the past took military action to provoke Serbian retaliation and keep the Western intervention alive. If that happens again, would Western stomachs stand bombing Muslim positions? Where are we going?

Suppose after enough bombing, partition terms are signed. Mr. Clinton says U.S. ground troops will be committed to protect an agreement signed by Bosnian Muslims, Serbs and Croats.

But an agreement pounded into Serbs by foreign bombs will guarantee guerrilla warfare. The United States will be deep in the final act it dreads — American troops on the ground, in a civil war, every side's target.

Before Mr. Clinton took office, the West pushed Bosnian Muslims into a too-early declaration of independence that the Muslims themselves warned would lead to civil war. Then, during his administration, the West and the Bosnian sides diddled to death the Vance-Owen plan, the one chance of building a multiethnic Bosnia.

Now only partition remains. The United States has no strategic reason to get into air or ground war for partition terms. Should we lift the embargo and arm the Muslims? Doesn't anyone care that hundreds of thousands more people in Bosnia and beyond would then wind up butchered? Prevention of more death is the only legitimate foreign business in Bosnia.

Both the Serbs and the Muslims can stop Western air attacks before they start. But the Muslims see succor in those attacks.

The Serbs also see themselves as victims. But it is they who have inflicted the most pain, gained the most territory and have most to lose by American intervention.

They can help Mr. Clinton avoid war by unilateral military withdrawal from the Sarajevo area and then bargaining more about that 5 percent. There is time left, but very little, before Act I.

Correction: A statement in the Rosenthal column of Jan. 8 that Hungarians were naming plazas for dead fascists is incorrect.

The New York Times.

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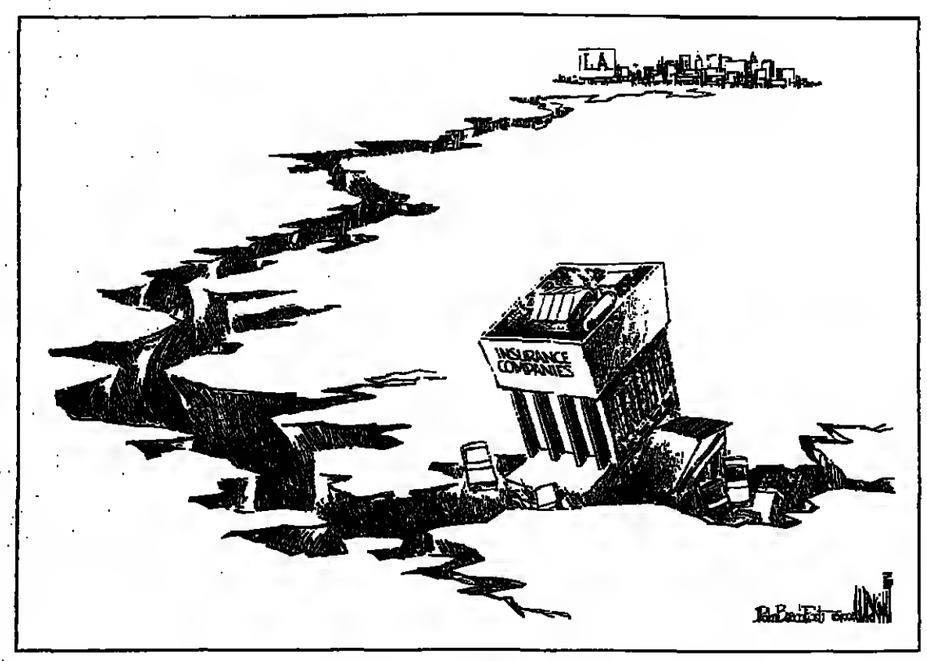

'He Did the Right Things — And Look What Happened'

By Bob Herbert

NEW YORK — I first heard of Evans Jean some months ago when his teacher, a woman named Ellie Weiss, showed me his autobiography. Evans was a senior at an alternative high school in Brooklyn, the Bushwick Outreach Center, and he had the peculiar idea that he could escape the rampant evils of the inner city by working hard and getting an education. He wanted to be a nurse.

MEANWHILE

The autobiography was a class assignment. Evans wrote, "I must and I will be successful in college to keep myself from becoming a statistic in a world that does not care." He added, "I have to accomplish my career goals in order to achieve my personal goals, which are to first prove to myself I am worth something."

To get a sense of Evans's daily environment, imagine streets full of fear; the sound of gunfire is heard every night. An untoward glance, the merest slight, can result in murder.

Evans wanted to be a nurse because, as he saw it, "There's too many people trying to take a life out here and I want to be on the other side."

The bullet that killed Evans arrived on a Sunday night. Evans was at his girlfriend's house when her ex-boyfriend showed up. As far as we know, there was no argument. There was no fight. But the ex-boyfriend drew his gun and ordered Evans, who was not armed, to lie on the floor. Evans complied. The authorities said the ex-boyfriend then leaned over and fired a bullet into Evans's head.

On Thursday, about 150 of his schoolmates were brought together in an assembly of grief that is now commonplace in inner-city schools. The students wept and they spoke out bitterly and in tones of despair. Evans had been exceptionally popular and was widely admired for his determination to avoid trouble, to work hard and to help others.

"What's the use?" asked one student. "Evans did the right thing and look what happened to him."

Evans was the second Bushwick Outreach student to be slain in a month. When a teacher at the assembly asked how many of the students had friends who had been killed, nearly all of them raised their hands.

There was no consoling the stunned and grieving youngsters at Bushwick Outreach. The kids know the real deal. They know that they are unprotected, that all the tough talk, all the bogus promises of safety and security uttered so promiscuously by adults will not save them when the bullet comes.

Even as the students wept at Bushwick Outreach, other youngsters testified and wept at a congressional hearing in Washington, telling their representatives that they had seen murder and other horrors and that they were afraid the same would happen to them.

The children are crying out, but it's not clear that anyone can hear them.

Fourteen-year-old Alicia Brown of Washington told the hearing how she had witnessed the murder of a close friend: "I saw Hank lying on the ground. He wasn't dead yet, but he was lying there, twitching. It was a terrible thing, terrible to see someone you know, someone who used to make you laugh, lying there, dying right in front of you."

We talk but we don't do much. These are just ordinary kids with no political influence and no money — no real claim to the nation's concern.

On Thursday afternoon Ellie Weiss showed me a video that her class had made. Evans Jean was to it. Tall and angular, he looked into the camera and said fervently that the best thing that had happened to him to 1993 was making it through the summer alive.

He added, "To all my homeboys that didn't make it, I'll be seeing you."

The New York Times.

LETTERS TO THE EDITOR

Saving Half of Korea

Regarding "Korea: Long-Ago Appeasement Narrows the Options Today" (Opinion, Jan. 22) by A. M. Rosenthal:

Mr. Rosenthal charges that after the Japanese defeat in 1945, the United States turned over half of the Korean Peninsula to Stalin. I disagree, as do many historians and intelligence experts. From 1945 to 1950 I worked in China, Manchuria, Korea and Japan for the United States and the United Nations. From this perspective, I saw quite a different geopolitical scenario unfolding: In 1945, America saved half of Korea from being swallowed up by Stalin.

The Soviet Union entered the Pacific war very late in the game, during the last dying days of the imperial Japanese war effort. Soviet troops quickly swept down from Siberia, into Manchuria (Manchukuo) and into Korea. American troops consolidating victory could not be ferried to Korea swiftly enough from Japan or Pacific bases to exert any real, on-the-ground influence on their World War II allies. All of North Korea was to Soviet hands almost overnight, and Russian officers were checking in at Seoul hotels, studying maps showing the area around Pusan, at Korea's southern tip.

In a shrewd if desperate gambit, the Truman administration persuaded Stalin to halt his southward drive and agree on the 38th Parallel as an interim demarcation line: Soviet troops would accept the surrender of Japanese troops north of that latitude and American troops would move in to repatriate Japanese south of the line.

Without that initial agreement, Stalin's troops in 1945 would not have halted their drive short of Pusan.

RICHARD PATRICK WILSON.
Mobile, Alabama.

Security, Then Peace

Regarding "One Word at a Time" (Opinion, Jan. 19):

The editorial on the Israeli-Syrian negotiations rightly refers to Israeli doubts "about the wisdom of making any kind of peace with a cruel, dictatorial regime." President Bill Clinton tried to put a veneer of hope on the Jan. 16 remarks in Geneva by Hafez Assad, the Syrian dictator. Israeli authorities were too polite to object, since Mr. Clinton had invested so much political capital in this encounter.

Is there an alternative to the woeful concept of "land for peace" — one not based on intangibles and wishful thinking? There is, and it is called "land for security" — no peace treaty, but security arrangements which, if violated, would be immediate cause for war. This would entail return of the Golan Heights to stages over 10 years, but with demilitarization of the area between the Golan and the outskirts of Damascus; high-tech defensive measures to make any quick remilitarization of the area impossible; and evacuation of all foreign forces from Lebanon.

Peace will come later, when there is a semblance of democratic government in Syria, responsive to its people's needs.

ART STONE.
Herndon, Virginia.

The Problem With Gags

Regarding the report "A Wave of Gags on Free Speech Unsettles Canadians" (Feb. 1) by Charles Trueheart:

This article does not do justice to Canadians' respect for free speech. The author fails to describe the case of the neo-Nazi Ernst Zundel of Toronto who, for handing out pamphlets in which the Holocaust was called a hoax, was charged in 1991 under a federal law against "the willful spreading of false news." If that law were applied evenly, how many newspapers would still be in business?

At the provincial level, British Columbia passed a law in 1992 against any speech that "might tend to discriminate or lead to discrimination" against an individual on the basis of sex, race, religion, sexuality, etc. It was said that the law was aimed specifically at a conservative Vancouver journalist who often wrote against Asian immigration to the city.

In Ontario, a convenience store owner was charged in 1992 for stocking Playboy magazine, which he kept behind the counter with the cover hidden. Two women charged that the magazine "degraded and offended women." They held that even if it could not be seen or opened, its presence in the store made shopping there an oppressive experience and thus violated their civil rights. The two intended to speak for all women, although the women who had freely posed for the magazine had not thought it degrading or offensive.

A common, and frightening, characteristic of the first two laws is their ambiguity and the subjectiveness demanded to enforcing them: Essentially, they are political tools. In the third case, it is obvious that censorship to protect one complainant's civil rights — defined as freedom from oppression based on sex, race and so on — can violate those of someone from the same social group.

CHRISTOPHER HOUSTON.
Milan.

The Ulster Question

Regarding "Gerry Adams: Optimistically Into the Irish Dark" (Opinion, Feb. 2) by Edna O'Brien:

Edna O'Brien is wrong. The issue is not whether Northern Ireland should remain part of the United Kingdom. It is whether the status of the province should be decided by the will of its people (which is the declared position of the British and Irish governments) or by force (which is the position of the paramilitaries on both sides).

Would Ms. O'Brien care to consider how she would react if Britain admitted to its shores, and gave vast media publicity to, the head of an organization claiming to represent the Hispanics of California, "oppressed" by the English-speaking population "planted" there in the last century and a half, and pursuing the "reunification" of Mexico by murderous violence both to California and across the United States, despite the declared opposition of the elected Mexican government to any territorial revision except by the consent of the population affected?

ALAN SOMMERSTEIN.
Nottingham, England.

MP's Death Is More Bad News for Major

By John Darnton
New York Times Service

LONDON — Prime Minister John Major's government faced more problems on Tuesday after revelations that a promising Conservative member of Parliament had been found dead under mysterious circumstances.

The death of Stephen Milligan, 45, who was well known from a career in journalism and had been regarded as a politician with a future since his election in 1992, consumed the front pages of British newspapers.

He was found dead Monday in the kitchen of his West London flat, naked except for women's stockings and a garter belt. There were reports that he had a plastic bag over his head and a cord around his neck. Pending official results of an autopsy, the police could not rule it a suicide, a murder or an accidental death during autoerotic sex or sex with a partner.

The case promises to embarrass the Tories and hurt them politically, coming only a month after scandals in the private lives of ministers and other government figures.

The stream of lurid headlines about ministers' having affairs and fathering children out of wedlock has made a mockery of Mr. Major's attempts to get his party back on the tracks by a campaign he calls "back to basics."

This was intended as a battle cry for a return to family values, a strengthening of basic education and high standards of public service.

With scandals bursting to the left and right, Conservative leaders now argue that "back to basics" was never intended as a statement of moral rectitude.

Leaders in the opposition Labor Party seemed too shocked and saddened by Mr. Milligan's death to make an unseemly effort to turn it into political advantage.

The prime minister has sunk to the bottom in the polls, with the latest showing Labor ahead by 20 points. The parties are facing local elections May 5 and then elections to the European Parliament June 9. A bad showing in both would undoubtedly prompt a challenge to Mr. Major's leadership, politicians on both sides agree.

Mr. Milligan, as an Oxford graduate and former journalist who had worked as a reporter and editor for The Economist, as the Washington correspondent and foreign editor for The Sunday Times and as a broadcaster for the BBC, was a member of Britain's inner circle.

A bachelor, he was hard-working and serious. In a move that usually portends a cabinet post, he had been appointed parliamentary private secretary to the arms procurement minister, Jonathan Aitken, in the ministry of defense.

Government officials insisted privately that Mr. Milligan did not have access to classified information in the ministry. This reassurance seemed designed to head off comparisons to the 1960's scandal centering on Defense Minister John Profumo, who was forced to resign after denying a liaison with a prostitute whose clients included a Soviet defense attaché.

Mr. Milligan's death reduces the Conservative majority in the House of Commons to 18, with three by-elections for vacant seats to be held sometime in the coming months. Two of the seats are in districts that usually go to Labor. The third is Mr. Milligan's in Eastleigh in Hampshire, which he won by 17,702 votes.

The scandals that have dogged Mr. Major began after Christmas when the environment minister, Tim Yeo, who is married, was forced to admit that he had fathered a child by a Tory town councilor. In January, he was forced to resign by a constituents group.

It then emerged that years ago as a 22-year-old student he had also fathered an illegitimate child.

Some days later, a member of Parliament from northwest Leicestershire, David Ashby, was said in a newspaper report to have shared a bed with a man during a trip to France. He denied in engaging in a homosexual affair.

Then in January the wife of Lord Caithness, who is transport minister, committed suicide. Her parents asserted that she had been despondent over the Christmas holidays because her husband was in love with another woman. Lord Caithness then resigned.

A New Snag Delays Start Of Channel Rail Service

By Erik Ipsen
International Herald Tribune

LONDON — In a move that is becoming almost habitual, Eurotunnel announced another delay Tuesday in the start-up of its rail service beneath the English Channel.

The company has neatly substituted a question mark in schedules that had shown freight service beginning on March 7 and a passenger shuttle on May 9.

Unaffected by the delay will be the formal opening of the tunnel, scheduled for May 8, with Queen Elizabeth II and President François Mitterrand in attendance. Eurotunnel officials would not commit themselves Tuesday to a date for the start of train service.

They said only that freight service should now begin sometime before the official opening. The service destined to hurtle passengers and their cars through the 31-mile (50-kilometer) tunnel in 35 minutes is to be delayed by a few days rather than weeks, they added.

The through-passenger service connecting London to Paris and Brussels is not affected by the latest delays, but no official date for the start of that service has ever been set beyond "late summer."

A spokeswoman for Eurotunnel, Allyson Andrews, blamed delays in testing the system's fleet of locomotives.

"We would rather make sure that we have a safe, reliable service," she said, "than open early and encounter glitches."

She also insisted that the so-called "blue bottom" problem had nothing to do with the delays announced Tuesday. British papers reported recently that some of the trains operating in the tunnel had encountered difficulties with toilets that erupted when flushed, spewing blue fluid.

"Those are on the Eurostar trains," she said, referring to the passenger-only trains now being tested.

Analysts who follow Eurotunnel predicted that the latest delays would have little effect on the company's revenue.

"The impact on revenues will be very, very marginal," predicted Pierre Bosset, an analyst with James Capel in Paris. "It will have an impact on sentiment though."

Eurotunnel shares lost more than 1 percent of their value in trading on Tuesday. Mr. Bosset and others noted that investors were dismayed, given that less than a month ago Le Shuttle had set its opening for May 9.

The big question for Eurotunnel will be the length of the delay. The planned May 9 start-up was two months ahead of the peak summer travel period, so the revenue loss of a *few days* will not be great, analysts said. But delays of weeks could put a substantial crimp in revenue.

Corinne Dufka/Reuters

Sarajevo residents running for cover Tuesday at an intersection that came under heavy sniper fire.

Taking Out Serbs' Mobile Weapons: A Headache for NATO Warplanes

Compiled by Our Staff From Dispatches

SARAJEVO, Bosnia-Herzegovina — Western warplanes would have trouble taking out all the Serbian heavy weapons around Sarajevo, a senior officer with the United Nations forces said Tuesday.

The officer said UN figures showed that the Serbs had about 300 artillery pieces within range of the Bosnian capital, meaning 30 kilometers (18 miles), and that most of the weapons were stationed southeast of Sarajevo.

The figure includes cannon, which are in fixed positions, and mobile mortars.

The officer said that although warplanes from the North Atlantic Treaty Organization would be able to zero in on the big guns, it would be difficult to pinpoint the mortars.

"A mortar consists of a simple tube on a 60-kilogram metal plate, and all you need is two men and a pickup truck," he said.

He added that in addition to the mortars, the Serbs besieging the city also had multiple rocket launchers that are mobile and powerful.

"Lifting a siege and using only air strikes is possible, but one must destroy everything," the officer said. "If we launch air strikes, we can't give up afterwards because they will come back and recapture their positions."

A NATO military source in Brussels said that ground troops and weapons would be needed to secure the hills but that the 16-member alliance had not planned for that eventuality.

Other analysts said Bosnian government soldiers would storm Serbian positions after air strikes, capitalizing on damage to their foes.

"The Bosnian government army will certainly take advantage of air strikes," said Paul Beaver, publisher of Jane's Defense Weekly. "It is a major consideration for Western military planners."

Jonathon Eyal, director of studies at Britain's Royal United Services Institute, a military think tank, said, "You will tilt the balance of the fighting."

"The Bosnian Muslims will exploit the attacks," he said. "Paradoxically, air strikes will be a signal for their launching the wider offensive which everyone has been predicting for the spring."

UN officials said they feared the Bosnian Muslims would take advantage of better weather to try to capture militarily what they cannot win at the negotiating table.

"It would be piecemeal stuff, a hill here or there, or a few hundred yards," Mr. Beaver said, "but they are not strong enough to break the siege, even with air strikes."

Analysts say the Bosnian government's supply lines are stretched so thin that even if the Bosnian Serbs were forced to pull back they could still maintain a blockade of Sarajevo.

The Bosnian government army says it has large numbers of men but very little of the heavy artillery it needs to support assaults. UN sources say the Bosnian Serbian side had many fewer men but a large number of heavy weapons.

"If you cancel out their firepower with air strikes you will begin to destroy the Serbs' advantage," said Charles Dick, director of Britain's Conflict Studies Research Center.

The Serbian response to Muslim gains, won with the help of NATO air power, will be unequivocal, he said. "I find it very hard to believe the Serbs would not respond by attacking UN troops," he said.

To stop the Serbs from justifiably accusing UN troops of partisanship, air strikes would have to be part of a carefully planned series of military measures that would prevent the Bosnian government from advancing, analysts say.

"There needs to be an 'orchestrated package' of NATO measures," Mr. Beaver said. "There would have to be an ultimatum to both sides. The Bosnian government would have to agree to hold a line while the Serbs agree to pull back their guns." *(AFP, Reuters)*

Bosnian Croat Leader Quits Under Pressure

Reuters

ZAGREB, Croatia — Mate Boban, the hard-line nationalist leader of the Bosnian Croats, resigned Tuesday, apparently a casualty of growing international pressure on his political backers in Croatia.

The resignation was immediately praised as "wise and honorable" by Croatia's foreign minister, Mate Granic, who attended the meeting. The Croatian government faces possible economic sanctions for its support for Croats fighting in neighboring Bosnia.

CRANES: *'Running Out of Time'*

Continued from Page 1

simulate the mother leaving her warm nest in the brisk Siberian temperatures.

The crane chicks, Bugle and White, were released with their wild cousins in Siberia, but apparantly did not have enough time to bond with adult birds and refused to fly south to India last winter.

This year, Bugle and White, along with four other chicks — Gorby and Boris, hatched in Wisconsin, and Billy and Bushy, raised in a Moscow preserve — were flown to the Indian sanctuary here at Bharatpur. For the first time, scientists were going to try to integrate incubator chicks with adults at wintering grounds rather than breeding grounds. Although the procedure was considered risky, scientists hoped the six young birds would be adopted by the wild Sibes, who would then teach them the route over the world's highest mountain range to Siberia.

"Anything is worth trying," said Belinda Wright, a naturalist and filmmaker participating in the crane watch at Bharatpur.

But teaching artificially incubated birds that they are cranes has been a major problem. "If they grow up being fed by humans, they will not mate with other cranes," Ms. Richter said. "They solicit people for mating."

In an effort to avoid confusing the young Sibes, the crane's caretakers dish out daily rations of crane chow and plant tubers while wearing a bird costume — a crude rendition of "Sesame Street's" Big Bird. Park rangers guard the secluded cages from a distance, keeping curious humans from venturing within visual range.

In another experiment using new technology, scientists planned to attach small electronic transmitters to the Bharatpur chicks so their flight patterns could be monitored by satellite. Experiments last year on the more plentiful common crane, which also breeds in Siberia, were not very successful.

The signals disappeared after a few weeks, an indication the batteries had failed, but one transmitter inexplicably began working months later with signals indicating the crane had moved to the border of Iran and Afghanistan.

Despite years of studying Siberian cranes, scientists still know little about their habits.

SUDAN: *Army Sweeps Rebel Area*

Continued from Page 1

go." Relief officials and diplomats familiar with the annual rhythms of this long, grinding war said the current offensive appeared to be far larger than in the past. The government has been reinforcing its garrisons at Juba, Wau and Torit by plane, train and barge, sources said, and now seems to be attacking on several fronts at once.

Various relief sources suggested that the Sudanese government, facing an economic crisis, might be trying either to win the war outright — an outcome that seems unlikely — or to force more concessions by the rebels at the negotiating table.

Mr. Evans said he believed the government intended "to go for broke" in this offensive. "This war is bleeding the country dry," he said. "The Northerners are in a fairly dreadful position. The government is pouring millions of dollars down the drain. A lot of families are losing relatives."

Ms. Burnheim, whose agency operates on both sides in the conflict, said she had seen reports from Khartoum suggesting that the aim was "to break the SPLA."

The government also appears to be trying to take advantage of a two-year-old split within the rebel movement, caused when two of its senior guerrilla officers broke rank with its top leader, John Garang. Another faction later broke away, and, in recent years, the rebels have spent as much time battling each another as the government.

Richard Venegoni, director of relief operations for the relief agency World Vision, said the government had begun its offensive from a stronger position than in the past. It now controls more towns in the region, including Bor and Waw, where in previous years it had to operate mainly from Juba.

The government is "chewing away more and more," he said. "They've got, in theory, two more months before it starts to rain."

Even if the government captured Nimule, he added, the rebels could still use back roads to receive supplies.

"It's a huge border," Mr. Akol said. "There is no chance whatsoever that they can seal it off."

According to Mr. Evans, "Neither side can win this thing militarily." But he added that the current push seemed to be General Bashir's "attempt to do just that."

JOBS: *A German Record*

Continued from Page 1

recovery, but the jobless rate, being a lagging indicator, will continue to rise well into 1995," he said.

Uwe Jens, the economic affairs spokesman for the opposition Social Democratic Party, called the absence of new employment opportunities proof of the economic incompetence of the governing conservative-liberal coalition in Bonn, which has held sway for the last 12 years.

Over all, 4,029,483 people were officially counted as jobless in January, including 2,736,060 in Western Germany and 1,293,423 in the five states of former East Germany.

Including people looking for work independent of the state-controlled Labor Office, the real overall German unemployment figure is easily more than 5.5 million, putting a strain on the country's social fabric and public budgets.

German companies have been laying off tens of thousands of workers as a result of the worst recession in postwar German history in a desperate attempt to become more cost-efficient in an increasingly competitive global market. German wages and benefits are among the world's most generous.

The latest jobless report came amid signs of increasing nervousness in German industry, including a warning that 19,000 small and medium-sized companies would go bankrupt this year, 3,500 more than a year ago.

Mr. Tran said that a wave of layoffs was typical of the early stages of a national economic restructuring and that Germany appeared to be repeating the pattern seen in the United States over the last few years.

"If a cyclical recovery is in place in 1995, we should not exclude new hiring by companies that have cut their labor forces in the recession," he said. "Job cuts come fast in the first phase of restructuring but hiring can rise in later phases."

He predicted that most of those new jobs would come in the service sector, however, indicating that displacements are likely to continue for quite some time because the German labor market is much less flexible than that in the United States.

CLINTON: *Decision Time at Hand for White House*

Continued from Page 1

detect a shift in the wind, and is it strong enough? Does he think the cause is worth spending some of his precious political capital?

Does this man who won the presidency by promising to concentrate on problems at home dare roll the dice abroad just when the most important initiative of his presidency, health-care reform, needs all the time and effort he can lavish on it?

Clearly, there are risks. American pilots might be shot down and captured and tortured, for example, which might lead to calls for a wider American role. Richard Johnson, the former head of the State Department's Yugoslav desk, recently quoted one of his bosses, Undersecretary of State Peter Tarnoff, as saying that intervention in Bosnia "would destroy the American presidency."

The Vietnam War is a vivid and recent example of what inept and unwise military adventures can do to presidents, if not the presidency. But it is also true that presidents can turn public opinion, if their timing is right, their purposes are clear, and their concentration is intense.

President George Bush did it in the months before the war in the Gulf, and Mr. Clinton did it, rather belatedly, on the North American Free Trade Agreement.

Senator Richard G. Lugar, Republican of Indiana, and Morton I. Abramowitz, president of the Carnegie Endowment for International Peace, both say they think the moment for boldness has come on the strife in the Balkans.

"The United States," said Mr. Abramowitz, a retired Foreign Service officer, "has to decide whether it is going to continue to be a pseudo-moralizer or lead the West in resolving one of the most profound political and moral crises of our time."

Mr. Lugar, the leading Republican spokesman on foreign affairs in Congress, said: "They have been hoping that Bosnia would go away, disappear from the front pages and the TV news. But surely the president knows now that it won't. He must take a leadership role he doesn't want, that he's uncomfortable with, that's risky, because he's the only person in the world who can do it."

For its part, the administration has spent this week sounding anything but bold. The problem, Mr. Clinton said, was the allies, who do not want air strikes because such action might prompt retaliation against their troops on the ground. The problem, a White House official said, can be solved only through renewed negotiations. The problem, a State Department official said, is that no one can prove that the Serbians fired the mortar round that hit the marketplace.

But it may be that some limited action is imminent. The British have been the leading European foes of air strikes, along with the Russians. But a senior British official said his government, the other Europeans and the United States "are trying to work something out, for real, by Wednesday."

To him, he said, it is clear that "the price of unity is going to be great, but that of disunity greater."

ALLIES: *NATO Seems Set to Issue Deadline on Siege*

Continued from Page 1

stop and prevent the shelling of Sarajevo."

In particular, Britain, whose attitude to military action has been persistently cautious and remains so, seems to have moved to a position where it will not stand in the way of air strikes if an ultimatum to the Serbs goes unheeded.

"The balance of risk and rewards has shifted," Foreign Secretary Douglas Hurd said Tuesday.

Specifically, NATO, while issuing yet another appeal to the belligerents to make peace, looks set to approve a recent request by the UN secretary-general, Butros Butros Ghali, for permission to launch air strikes against artillery and mortar positions in and around Sarajevo. At the same time, a deadline for the withdrawal of those emplacements and the handover of heavy weapons to UN troops would be set.

Mr. Butros Ghali, in a letter Sunday to the NATO secretary-general, Manfred Wörner, asked for a mandate to attack artillery positions found to have fired on civilians, saying his current mandate only allowed the use of force in the event that UN peacekeeping troops are endangered.

The U.S. secretary of state, Warren M. Christopher, said Monday that Washington would support Mr. Butros Ghali's request.

It appeared that the United States and France, long at odds over what to do about Bosnia, have found common ground and have given a decisive push to NATO planning that has been plagued for over a year by dithering.

"What has emerged is Franco-American joint leadership," the NATO diplomat said.

He added that partnership was being broadened into a consensus in the 16-nation alliance.

Last month, the United States and France clashed over what Washington described as requests of dubious morality from the French for the Clinton administration to put pressure on the Bosnian Muslims to accept a peace settlement based on the division of Bosnia along ethnic lines.

But a combination of mutual outrage in Paris and Washington over the mortar attack Saturday and a growing conviction that only concerted action by the Western allies will keep the war from getting worse seemed to have led to a vigorous reconciliation.

The effect of a NATO ultimatum would be to put unprecedented pressure on the three warring factions — the Muslim-led Bosnians, the Croats and the Serbs — to reach some kind of agreement, at least over the demilitarization of Sarajevo, when they meet in Geneva on Thursday to resume talks.

David Owen, the European mediator, said this week that he had secured an agreement from the Bosnian Serbs to demilitarize Sarajevo. But it was far from certain that they would keep that pledge.

The New York Times

The Beatles's 1964 trip was a whirlwind of hype and hysteria, a tribute to the Mersey beat and modern press agentry.

It Was 30 Years Ago Today, in N.Y.

By Peter Marks
New York Times Service

NEW YORK — On a cold February afternoon in 1964, Linda Plotnikoff, a lovesick 12-year-old from Sheepshead Bay, got her first glimpse of the mop-topped men of her dreams. She had been standing for hours outside the Plaza Hotel, clutching a record album and waiting eagerly for the opportunity to be transformed into a shaking, sobbing mess.

And then, suddenly, in a window high in the hotel, the curtains parted. The Beatles were looking down at the crowd! Pandemonium in the streets! Dozens of police officers had to restrain the hundreds of John-Paul-George-and-Ringo-crazed teenage girls who tried to rush the doors of the hotel to get at their idols.

"They came to the window," recalled Linda Plotnikoff, now Linda Reig, 42, of Cooper City, Florida. "We were screaming and screaming. Just screaming and singing: 'We love the Beatles!' I was dying for anything, screaming, singing, just dying for anything from them. I just wanted to, like, touch them and say hello to Paul."

Thirty years ago a quartet of cocky young men with thick Liverpudlian accents and neatly cropped hair that brushed their ears descended on New York City, confounding parents, perplexing pundits and, like Frankie and Elvis before them, turning schoolgirls into jelly.

It was the Beatles' first visit to the United States, and neither they nor America emerged from it the same. Their trip was a whirlwind of *hype and hysteria, a tribute both to the appeal* of the Mersey beat and the wonders of modern press agentry.

The Beatles, it seems, made their mark on all who came into contact with them. From the teenagers who longed to touch them, to the bartenders who served them drinks, to the comics on "The Ed Sullivan Show" whose burden it was to follow them, everyone has stories about that tumultuous week in New York.

"Every door, every alley, all over the kitchen, there was security," said George Papadakis, a bartender then and now at the Plaza, who so vividly remembers his encounter with the Beatles he can rattle off the drinks he served: Scotch and ginger ale for John, Scotch and Coke for Ringo. "I'd never heard of Scotch and Coke before."

The visit had such a lasting effect on American pop culture that the tape of the Beatles' first appearance on "The Ed Sullivan Show" on Feb. 9, 1964, is one of the most frequently requested in the 60,000-program collection of the Museum of Television and Radio in Manhattan.

"It was tremendously significant," said Ron Simon, the museum's curator for television. "The whole idea of the cross-cultural phenomenon, the whole idea of Beatlemania, it all came together here."

The frenzy started the moment the Beatles arrived on Feb. 7 at Kennedy International Airport on a flight from London and did not let up until they departed for Washington on Feb. 11. In between, "the boys," as their manager, Brian Epstein, called them, were trapped in what must have seemed like a city of wild-eyed teenagers.

Bruce Morrow, who as Cousin Brucie was then a disk jockey on WABC and now has a show on WCBS-FM, recalls watching a group of young girls at one stop fling themselves at a cigarette butt that Paul McCartney had flicked into the gutter. "Two kids came up with the cigarette, smiling and bleeding," he said.

Joseph Szorentini, a doorman at the hotel for 46 years who was on duty the week the Beatles came to town, said, "I think it was the wildest thing that ever happened at the Plaza." Standing at his post on Central Park South last week, he pointed to a subway entrance across the street from the hotel: to avoid the teenagers who were maintaining a virtual round-the-clock *vigil on the Fifth Avenue side of the hotel, he* explained, the Beatles were escorted out of the Plaza through an underground tunnel that led to the subway entrance, and a waiting limousine.

In a sense, it was a divided city that the Beatles arrived in, for while the transistor-radio generation had been listening to Beatles songs for months, as part of a feverish promotional campaign by record producers, radio stations and publicity people, many adults had a vague notion, if any, of who the Beatles were.

Sid Bernstein, the promoter who booked the Beatles into Carnegie Hall during that first tour, said the concert-hall booker was taken aback when she heard the group's music. "She said to me after the concert, 'Bernstein, when you said they were four young men, I thought they were a string ensemble.' "

Some of the newspaper coverage of the visit reflected an older generation's dismissiveness. The New York Times's television critic, Jack Gould, for example, compared the Beatles' hair styles to "the square hairdo used every morning on television by Captain Kangaroo."

Ray Block, the musical director for "The Ed Sullivan Show," was equally unimpressed. "The only thing that's different is the hair, as far as I can see," he told a reporter.

Ed Sullivan, the newspaper columnist who was host of the nation's most popular television variety show, was said by some to have been unable to grasp the nature of the group's extraordinary popularity. But he was one of the first to recognize their potential for television.

Walter Cronkite, then anchorman of the "CBS Evening News," said that some months before the visit he received a call from Sullivan, a CBS colleague, after the news show broadcast a piece about the group. "The minute I was off the air, Ed was on the phone: 'How do I get hold of those people? What do you know about them?' " Cronkite said. "I told him everything I knew, which was very little, I said, 'Get in touch with our London bureau.' The next thing I knew, they were booked for America."

AN estimated 73 million viewers tuned into Sullivan's show that Sunday night, the pivotal event of their American stay. "It was everything," said Charles Rosenay, who heads the Beatles Fan Club, a New Haven, Connecticut-based organization with a mailing list of 36,000 names. "If they didn't appear on Sullivan, I don't think the world would have been swept up in Beatlemania."

Linda Plotnikoff became such a devotee she wangled a job as a secretary at Apple Records in Manhattan, the Beatles' record label, just to be close to the Fab Four. Eventually she left, married Arnold Reig, moved to Florida and had children. But one goal has eluded the girl who stood in the cold outside the Plaza. She has never met McCartney. "Just to hear Paul breathing in the same room," she said, "would be ecstasy."

Valenti to Star at Berlin Festival

By Ann Brocklehurst

BERLIN — It is a sign of the times that the Berlin film festival's most eagerly awaited guest is a businessman and not a movie star. Jack Valenti, president of the Motion Picture Association of America and the U. S. movie industry's main lobbyist, is coming to Berlin to discuss the distinctly unglamorous topic of life after GATT.

Valenti, a man seen by many European filmmakers as Hollywood's biggest villain, has not talked in detail on the subject since the General Agreement on Tariffs and Trade deal was struck late last year. Under pressure from France and against the wishes of the United States, negotiators exempted movies and audiovisual products from the agreement, leaving questions about quotas, subsidies and freer market access to be decided later.

The Berlin festival, which begins Thursday, is the first major meeting of the international movie community since the GATT deal. Along with Valenti, European filmmakers will be airing their views on how they think the European film *market should develop to avoid being wiped out* at the box office by U. S. blockbusters.

But the festival's manager, Moritz de Hadeln, is careful to point out: "The festival has nothing to do with GATT. We're just giving it a podium."

The main business of the festival is showing 250 films in 12 days to 8,000 registered participants, including 2,000 journalists. Despite the obvious climatic disadvantages of Berlin in February, the festival is now ranked with Cannes and Venice as one of the top three festivals worldwide.

"We have a pretty good hunch of European films added to the best America could offer us at this time," de Hadeln said, "except for 'Schindler's List.' " Although the Berlin festival was eager to show Steven Spielberg's critically acclaimed movie about the Holocaust, the director did not want it released in a festival context.

The history of the Berlin film festival has, according to de Hadeln, always been tied to the history of West Berlin. Originally started by the British and American administrations as a way to promote democracy in postwar Germany, the festival later took on a bridging role between East and West and became known for its strong selection of films from Eastern Europe. Some of the first Soviet films of the glasnost era had their international premieres in Berlin.

While films from the former East bloc have since developed a reputation for being rather *relentlessly depressing and no longer excite the* attention they did a few years back, they continue to be an important component of the festival.

Movies from and about the former Soviet Union are featured this year in a section titled "Lookin' East," which includes "Eduard Shevardnadze," a Latvian documentary about the Georgian politician directed by Ivars Seleckis, and "The Total Balalaika Show" by Aki Kaurismaki of Finland, a concert film starring the Leningrad Cowboys and the choir and orchestra of the former Red Army.

"The Year of the Dog," a Russian movie directed by Semjon Aranowitsch and described as socially critical cinema, is entered in the official competition for the festival's top prize, the Golden Bear.

AS the hosts of the festival, the Germans devote a section to new German cinema. And this year they also have three films in the main competition. Two of the movies — "The Blue One" by Lienhard Wawrzyn and "Farewell to Agnes" by Michael Gwisdek — deal with how the country must continue to come to terms with the legacy of the Stasi, the former East German secret service.

In a similarly uncheerful vein, the competition is featuring Jim Sheridan's "In the Name of the Father," a controversial production based on the story of the Guildford Four about *a man sent to prison for a crime he did not* commit, and Jonathan Demme's "Philadelphia," about a lawyer with AIDS who fights unsuccessfully to save his job at a legal firm.

Ann Brocklehurst is a journalist based in Berlin.

'Dead Funny': Very Funny Indeed

By Sheridan Morley
International Herald Tribune

LONDON — The best news of the week is the arrival at the Hampstead of the comedy of the decade thus far. Terry Johnson is hitherto best known for the surrealist meetings of unlikely celebrity pairs: Marilyn Monroe and Albert Einstein in the "Insignificance" that made his name, and Dali and Freud in "Hysteria" last year. Now in **"Dead Funny"** he tackles the nature of comedy, in what is essentially Albee's "Virginia Woolf" released amid several vaudeville routines.

The setting is an Islington flat over the weekend in 1992 when both Benny Hill and Frankie Howerd were found dead. The owner is a doctor who specializes in hysterectomies, and who can't bear to touch his wife. Their neighbors include a mother-obsessed gay and a sexually challenged couple with one of whom the doctor has had a brief and regrettable affair.

But all except the doctor's wife are founder members of a Dead Funny Society, which specializes in recalling the apparel and acts of deceased comedians, and so we have here nothing less than a living-room farce in the course of which we also get a running analysis of the nature of comedy. This is a breathtaking comic achievement, not only for Johnson but for Zoë Wanamaker, David Haig, Niall Buggy, Beatie Edney and Danny Webb as the entire cast of the author's own production. The best-acted, best-directed, best-written comedy in town is also a bitterly brilliant analysis of dead marriages and people who would rather die for a laugh than live for a relationship. It is at once heartbreaking and rib-tickling, and you can't ask a lot more.

Amid lives of fortysomething North London despair, Johnson has found desperately unfunny people dying for a laugh to cover up their own lack of communication. As one husband ruefully notes, "We've dozens of common interests, or at least I have."

These are people who arrive at parties in drag carrying rubber chickens because that's what the heroes of their favorite comic routines always did, and what Johnson shows us is that the

LONDON THEATER

loudest laughter comes out of the worst pain. It is not a new discovery, but Johnson's treatment of it as author and director is unmissable and unbeatable.

By contrast, John Godber's **"April in Paris"** (at the Ambassadors) is very thin, a 30-minute sitcom masquerading as a full-length comedy. A married couple (Maria Friedman and Gary Olsen) win a weekend trip to France and along the way get a life. Their escape from Hull closely resembles the liberation of Willy Russell's "Shirley Valentine," and they too discover that whereas local British life is always in black and white, the continentals live in color, a discovery much aided by Robert Jones's set, which bursts into bloom during the intermission.

The usual Brits-in-Paris jokes are looking a little tired, and it is left to a valiant couple of star turns to hide the fragility of their material. Like Terry Johnson, Godber directs his own script, only he has given himself a lot less to work with. "April in Paris" is scarcely worth the fare.

And finally two solo turns of sharply different character.

At the Albery, **"Eddie Izzard"** is a show by a comedian specializing in a series of comic riffs, during which he will set off on a theme, be it parodies of old "Star Trek" episodes or laments *for laundry, and see how far he can develop it* before either he or the audience tires of the trip.

The problem is that it's an essentially undemocratic process. If there were some means whereby we in the audience could indicate that the avenue is unlikely to develop into one of any real interest, we could save Izzard several dead ends. As it is, only when the laughter dries up altogether does he change direction, by which time it is very often too late, except of course for his many club-night fans. This is not however the kind of show that suggest that the West End theater is in a particularly healthy state. It belongs in some sort of nightclub at best.

On the other hand, Christopher Luscombe's **"Half Time"** (late nights at the Donmar Warehouse) is a brilliantly scripted and thought-through monologue in which Luscombe plays essentially a version of himself, a none too prominent actor who, rather to his own surprise, is asked to provide the entertainment for an old-boys reunion supper at his Cambridge college.

Luscombe then gives us the college porter, the principal's intolerable wife, a sad misfit and various other onlookers before offering the entertainment itself, reflections in a dressing-room mirror that are equally perceptive and scathing about the backstage life. An altogether exemplary show that could and should travel.

The Film Career of William Wellman

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — The Cinémathèque Française is showing until Feb. 27 an expansive list of the movies of the American director William Wellman.

As a youngster, Wellman was infatuated by aviation and became a flier. When World War I broke out, he enlisted in the French Foreign Legion as an ambulance driver, and on the entrance of the United States into the fray, he switched to the Lafayette Escadrille as a pilot. He was wounded and received the Croix de Guerre.

He wrote a book of his experiences and then went to Hollywood, making his debut as an actor and scenarist. He was promoted to director, and one of his first light comedies, "The Cat's Pyjamas," had charm and humor, but he was eager for stronger stuff. He received it when he was appointed to take on the silent movie "Wings," a spectacle of war in the air.

"Wings" won the first Oscar for best picture, being voted the best film of 1927-28. Its script is simple and naive, recounting the story of two young U. S. airmen in France downing the Kaiser's aces, but the sky scenes remain magnificent.

Wellman gets high marks for many films. One is "Beggars of Life," based on Jim Tully's autobiography of his hobo roaming. Louise Brooks, disguised as a boy to escape the police, gives one of her finest performances.

"The Public Enemy," Wellman's early talkie with its candid account of the life of a gangster killer, shocked moviegoers and the censors. It made the reputation of James Cagney, and the scene in which he crushes a grapefruit in his girlfriend's face is surely one of the most memorable in screen history.

Many of Wellman's colleagues undertook assignments beyond their capacities and suffered for their misjudgments. But Wellman was a wise man: He knew what he could do — and he did it with great skill and professionalism — and avoided things outside his territory.

BOOKS

A VERY PRIVATE PLOT

By William F. Buckley Jr. 272 pages. $20. Morrow.

Reviewed by
David Nicholson

MAYBE it's time for William F. Buckley Jr. to retire Blackford Oakes. Almost 70, the hero of Buckley's series of spy novels has left the CIA and been eligible for social security for nearly five years. He has won his battle against the Evil Empire of the Soviet Union. What else is there for him to do?

The point is that Buckley faces the same problem faced by other writers who depended on the conflicts of the Cold War to create the murky, ambiguous worlds of their spy fiction. Events have overtaken them. And now that the Soviet Communist regime has been overthrown, and Russia lurches fitfully toward democracy, who is the enemy? Buckley's not entirely successful solution in "A Very Private Plot" is to go both forward and backward in time.

The novel opens in 1995 with the liberal Democratic Senator Hugh Blanton preparing to submit legislation to end covert action by U. S. agencies, as well as a resolution to open all Cold War records. Not surprisingly, Oakes believes covert action necessary and considers Blanton "a fanatic." "I'm not sure I could tell a priest everything I've done — for God and country," Oakes says. "Though in most cases — not every case — I'd probably do it again."

Blanton wants to compel Oakes to testify about CIA covert activity before a Senate committee. And to Oakes's surprise, Blanton seems to know about Cyclops, the CIA's involvement with a group of young Russians who plotted to assassinate Gorbachev during the mid-1980s. If he can confirm the details of Cyclops, Blanton intends to tell the world about it, using it as an example of irresponsible CIA activity that could have led to nuclear war.

At that point in the novel the reader knows as little about Cyclops as Blanton does, and so the bulk of "A Very Private Plot" goes back in time to 1968 (where we meet the young Nikolai Trimov, eventual leader of the plot) and to the mid-'80s (where Trimov, now a disillusioned veteran of the war in Afghanistan, falls in with a group of young Russians who believe communism's idealistic origins have been betrayed by self-serving bureaucrats).

When Oakes learns of the plot to kill Gorbachev, he tells President Reagan, depicted here as an amiable dolt who sees the world in terms of movies but is, more often than not, shrewdly right in his choice of cinematic metaphors. Oakes and Reagan must then decide whether to betray the plotters.

One basic problem with all this has to do with the dangers of using people who are still alive (as opposed to historical characters) in popular fiction. The world Buckley depicts is more or less ours, not some alternative, and we know, of course, that Gorbachev was not assassinated. Deprived of the what-if factor, we anticipate some other resolution. When it comes, and the loose ends concerning Oakes and Blanton's proposed legislation are tied up, the resolution is, perhaps inevitably, disappointing.

This is, of course, escapist fiction, albeit by a political insider whose presumed expertise gives the reader the illusion that the world of "A Very Private Plot" is representative of the real world. But for all that, one has a sense of reading about a private club, some Yale fraternity, perhaps, whose doings are finally of interest only to those who belong to it. And for all their moralizing about good and evil, there's a disconcerting smugness about Blackford Oakes and his cronies — they know what's best for the rest of us, and we ought to shut up and let them go on with the important work.

Fans of the Blackford Oakes series will probably want to read this one. Everyone else is excused and directed to reread John le Carré's Smiley trilogy.

David Nicholson reviews books regularly for The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Wk	Weeks on List
1	DISCLOSURE, by Michael Crichton	1	3
2	THE BRIDGES OF MADISON COUNTY, by Robert James Waller	2	78
3	SLOW WALTZ IN CEDAR BEND, by Robert James Waller	3	14
4	FATAL CURE, by Robin Cook	4	2
5	BAD LOVE, by Jonathan Kellerman	5	3
6	LIKE WATER FOR CHOCOLATE, by Laura Esquivel	7	43
7	HONOR BOUND, by W. E. B. Griffin	6	2
8	WITHOUT REMORSE, by Tom Clancy	9	24
9	THE CLIENT, by John Grisham	8	47
10	SMILLA'S SENSE OF SNOW, by Peter Hoeg	15	7
11	NIGHTMARES & DREAMSCAPES, by Stephen King	10	17
12	VOYAGER, by Diana Gabaldon		1
13	THE BOOK OF GUYS, by Garrison Keillor	11	8
14	THE ROBBER BRIDE, by Margaret Atwood		7
15	MR. MURDER, by Dean Koontz	14	13

NONFICTION

This Week		Last Wk	Weeks on List
1	EMBRACED BY THE LIGHT, by Betty J. Eadie	1	39
2	THE BOOK OF VIRTUES, by William J. Bennett	2	7
3	SOUL MATES, by Thomas Moore	8	4
4	SEE, I TOLD YOU SO, by Rush H. Limbaugh 3d	3	12
5	THE HIDDEN LIFE OF DOGS, by Elizabeth Marshall	4	24
6	SEINLANGUAGE, by Jerry Seinfeld	5	22
7	WOULDN'T TAKE NOTHING FOR MY JOURNEY NOW, by Maya Angelou	6	18
8	HAVING OUR SAY, by Sarah and A. Elizabeth Delany with Amy Hill Hearth	7	10
9	PRIVATE PARTS, by Howard Stern	9	16
10	WOMEN WHO RUN WITH THE WOLVES, by Clarissa Pinkola Estés	11	78
11	FURTHER ALONG THE ROAD LESS TRAVELED, by M. Scott Peck	10	18
12	REENGINEERING THE CORPORATION, by Michael Hammer and James Champy	12	27
13	FLY FISHING THROUGH THE MIDLIFE CRISIS, by Howell Raines	13	3
14	A HISTORY OF GOD, by Karen Armstrong	15	14
15	LOVE CAN BUILD A BRIDGE, by Naomi Judd	14	9

ADVICE, HOW-TO AND MISCELLANEOUS

This Week		Last Wk	Weeks on List
1	STOP THE INSANITY! by Susan Powter	1	15
2	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	3	37
3	MAGIC EYE, by N. E. Thing Enterprises	4	3
4	AGELESS BODY, TIMELESS MIND, by Deepak Chopra	2	28

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
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B										
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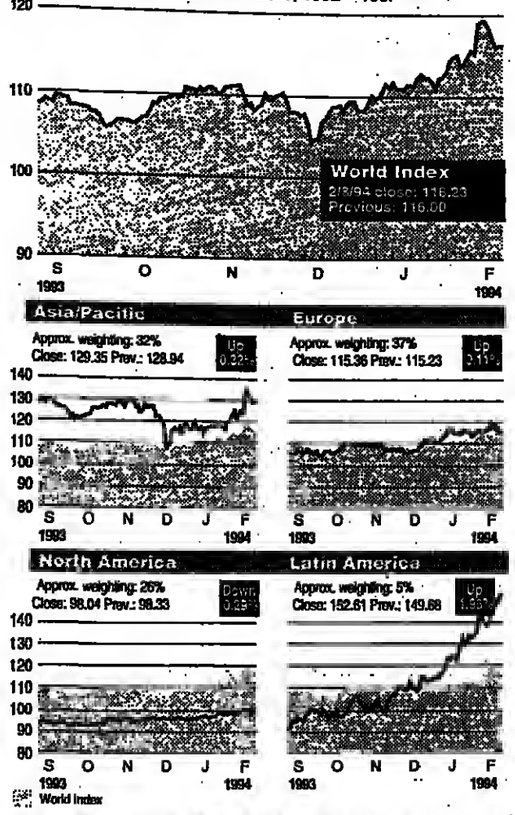
Continued on Page 14

THE TRIB INDEX: 116.23

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

Industrial Sectors

	Tue. close	Prev. close	% change		Tue. close	Prev. close	% change
Energy	114.91	114.23	+0.60	Capital Goods	114.63	114.38	+0.22
Utilities	126.55	126.20	+0.28	Raw Materials	122.53	121.74	+0.65
Finance	120.28	119.87	+0.34	Consumer Goods	100.66	101.06	-0.40
Services	126.31	125.79	+0.41	Miscellaneous	136.76	136.94	-0.13

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Sheraton Gains in Ciga Bid

Creditors Said To Back ITT Unit

Compiled by Our Staff From Dispatches

MILAN — ITT Corp.'s Sheraton Hotels unit won support from the creditor banks of Ciga Hotels for its bid for Ciga, sources close to the negotiations said Tuesday.

The sources said the creditor banks had met Tuesday morning at the headquarters of Mediobanca SpA in Milan and approved the Sheraton offer.

Executives of Ciga, an Italian hotel concern struggling under a heavy debt load, said only that a statement was being prepared and refused to give further details.

Mediobanca has a policy of not commenting publicly on its activities, and its executives refused to accept phone calls.

The Daily Telegraph newspaper in Britain reported Tuesday that Sheraton had emerged as the buyer of the 35-hotel Ciga chain.

It said Sheraton was offering to pay about 900 billion lira ($530 million) to win out over rival suitors Forte PLC and Host Marriott Corp.

Richard Power, a spokesman for Forte, said his company had been informed of Sheraton's offer Monday night and did not intend to raise its own bid.

"The Sheraton offer seems to be well in excess of 900 billion lire, while ours was about 650 billion lire," he said. "We felt that was a fair price to pay to make a reasonable return for our shareholders."

According to banking sources, Sheraton's offer is entirely in cash and would cover 72 percent of Ciga's debt.

Ciga last year hired Mediobanca to find a buyer for it. The hotel chain has not been profitable since 1989 and has debt of about 1 trillion lire.

London-based Forte and Host Marriott of the United States had been battling for control of Ciga, and Sheraton entered the bidding only shortly before the meeting Tuesday between Mediobanca and Ciga's creditors.

(Reuters, AFX, Bloomberg)

Toy or Supercar for Asia?

By Jacques Neher
International Herald Tribune

PARIS — Is the purchase of Italy's Lamborghini a $40 million toy for the son of Indonesia's President Suharto and his friends or rather the core of a Malaysian-Indonesian joint venture to create a local automotive industry?

Western analysts said the former appeared the better explanation for the just-completed sale by Chrysler Corp. of Automobili Lamborghini SpA, the famed maker of expensive sports cars, to Megatech Ltd.

Megatech is a Bermuda-registered company jointly owned by Hutomo (Tommy) Mandala Putra, the youngest son of President Suharto, and Mycom Setdco, a Bermuda-based subsidiary of Mycom Bhd., the Malaysian property and gaming concern.

In a filing with the Kuala Lumpur stock exchange Tuesday, Mycom said it had agreed to sell half of Mycom Setdco to Setiawan Djody, an Indonesian businessman and the principal owner of the Setdco Group of Indonesia.

It said Mycom would have a 25 percent stake in Mycom Setdco, with the remaining 25 percent going to Koperasi Polis DiRaja, a Malaysian police investment fund.

The Mycom chairman, Yap yong Seong, was a police intelligence operative during anti-Communist operations in Malaysia. The police investment fund has helped finance his various business ventures since the 1970s, he once said.

'You have to ask whether this is the most cost-efficient way to start an industry.'

Louis Bailoni, luxury-car analyst with DRI Automotive Group.

"The joint venture with the Setdco Group of Indonesia is expected to present the Mycom Group an opportunity to extend and diversify its business activities to Indonesia," Mycom said.

"Besides, Megatech also intends to to use the engine technology of Lamborghini to develop commercial vehicles in Indonesia," it said.

But Western automotive analysts raised their eyebrows at this claim, noting that much more investment would be required to adapt Lamborghini's high-performance engine technology to every-day requirements of a volume vehicle producer.

"It's plausible, but you have to ask whether this is the most cost-efficient way to start an industry," said Louis Bailoni, luxury-car analyst with DRI Automotive Group in Britain. "It would make a lot more sense to just go out and buy the engines you want for your cars."

Another London auto analyst, asking not to be named, said that buying Lamborghini in order to launch a local car industry was "ludicrous" and "a very strange way of doing it."

Even Lamborghini's top executive said there was little the Italian company could bring to a volume car producer, outside of some research and development assistance. "We're a small company that produces a small num-

See CAR, Page 11

Britain Trims Lending Rate To 22-Year Low

By Alan Friedman
International Herald Tribune

The British government, in a move apparently aimed at softening the pain of imminent tax increases while sustaining economic recovery, cut its minimum lending rate Tuesday by a quarter point, to 5.25 percent.

The reduction, which contrasted with the Federal Reserve Board's move Friday to raise U.S. short-term rates, could offer solace to the Bundesbank and other European central banks as they consider the timing of their own rate easings.

But some London analysts said the cut, which brought the rate at which the central bank lends to commercial banks to its lowest level since 1972, was too small to have a significant impact on the economy and may have been made largely for domestic political reasons.

The rate cut nonetheless seemed to improve the mood of investors on London's stock exchange, who only a day before had sent share prices down in response to the rise in rates in the United States. Commercial banks reduced their base lending rates to 5.25 percent, after the Bank of England's cut during its morning money-market operations.

The Financial Times-Stock Exchange index of 100 shares reached a peak Tuesday of 3,471.70, making up nearly all the ground it had lost Monday, before closing at 3,440.20, up 21.10 points.

Kenneth Clarke, Britain's chancellor of the Exchequer, said the rate cut was justified by an easing of inflationary pressures. Speaking in Paris before a meeting with Prime Minister Edouard Balladur, Mr. Clarke said inflation was running well within his government's target range.

The cut, the first since November, came hours before the Bank of England released a quarterly inflation report projecting an annual rate of increase of 2 percent to 3 percent in retail prices by the middle of 1994. The underlying British inflation rate, which excludes interest payments on mortgages, is currently 2.7 percent.

Tuesday's rate cut was less than the half-point reduction that had been anticipated by analysts, and it came sooner than expected.

Julian Callow, an economist at Kleinwort Benson Securities in London, suggested the interest-rate cut might have been politically motivated. "One can't help feeling that there are political overtones to this, with the government trying to regain the political initiative after a disastrous start to the year," he said.

Michael Portillo, chief secretary to the British Treasury and a Conservative Party stalwart, denied this, saying "interest rate decisions are taken with regard to the prospects for inflation, not political events."

A total of £8 billion in tax increases, including new levies on personal income and home heating bills, is to take effect in April. In addition to the political storm

See RATES, Page 10

Tank Maker Bids for Westland Helicopters

Compiled by Our Staff From Dispatches

LONDON — GKN PLC began a hostile bid for Westland Group PLC on Tuesday, buying an interest in one of the world's leading helicopter makers from United Technologies Corp. and offering £366 million ($542 million) for the 60 percent that remains in public hands.

The purchase of the United Technologies stake for about $111 million by GKN, which makes Warrior tanks and industrial goods, reverses the foreign control of Westland that was at the center of a political controversy in Britain in 1986. United Technologies and Fiat SpA bought into Westland, outbidding a consortium of five European aerospace companies.

Prime Minister Margaret Thatcher's approval of an American-led bid for the only British helicopter maker led current industry minister, Michael Heseltine, then the defense minister, to resign, along with Leon Brittan, who had been industry minister and is now the European Union's trade commissioner.

In 1988, GKN purchased 22.02 percent of Westland from Fiat and Hanson PLC for £47.8 million. With the additional stake from United Technologies, GKN has secured 47 percent of Westland's stock, which falls to 40.2 percent on a fully diluted basis that takes into account options and convertible bonds.

GKN's planned acquisition of the entire company, however, will not be easy. It is bidding cash or convertible bonds worth just 290 pence per share, 5 percent below the closing price of 305 pence on Monday. Although the stock initially rallied on Tuesday, it ended at 305 pence, while GKN edged up 2 pence, to 582.

GKN said it would finance part of the bid, required by British law after its Westland stake exceeded 29.9 percent, by offering its existing shareholders the right to buy one convertible bond for every five shares of stock they own. The rights issue would be payable in two installments, the second coming when GKN's stake in Westland reached 75 percent.

The Westland board, except those members appointed by GKN, said the offer was "unwelcome" and that shareholders should not take any action until the company had considered its position. Zafar Khan, an analyst at Strauss Turnbull Securities told investors to accept that advice, saying, "GKN will try to get board approval from Westland and that could cost them a few pence more."

David Lees, the GKN chairman, said, "I believe our offer is fairly priced." He said a recent price rise in Westland's stock price may reflect the prospects for its EH-101, helicopter, but also, in part, speculation that GKN may have been seeking to increase its stake. Westland's price has been rising since October, when it closed as low as 209 pence per share.

The EH-101 was developed by Westland and Agusta SpA of Italy and its prospects were an element in the 1986 takeover battle. It is in production now, with the first deliveries expected in 1996.

"If you go back to 1988," Mr. Lees said, "the EH-101 had not gone into production yet and indeed it wasn't completely certain it would be taken into production. That has changed ... and it is now a major flagship for Westland," he said.

Mr. Lees said the Westland purchase would provide GKN with a "strong third core business" in helicopters and light armored vehicles

(Bloomberg, Reuters, AFX)

MEDIA MARKETS

Where Pirates Rule the (Air)waves

By Kevin Murphy
International Herald Tribune

BOMBAY — When Rupert Murdoch arrives this week to see what he actually bought when his News Corp. paid $525 million for STAR TV in Hong Kong and an undisclosed amount for half of India's Hindi-language ZEE-TV station, he will be visiting Khushru Khan, or someone like him.

With China, its largest potential market, wary of "spiritual pollution" by the West and of the pan-Asian broadcaster's intentions in particular, STAR TV needs to find a way to increase its profit in India, its prospective second-largest market, just as competition here is intensifying.

Mr. Murdoch will find — unless he cuts innovative deals with the government officials, industrialists or entertainment luminaries he meets this week — that India's huge appetite for television does not necessarily mean easy pickings.

Mr. Khan and tens of thousands of other rooftop entrepreneurs who do not pay for the programs they distribute illustrate why Western entertainment groups face serious challenges in profiting from India's economic takeoff.

From a padlocked rooftop command center, Mr. Khan, who learned about cable television while he was pumping gasoline in New York, controls a lucrative cable network in Bandra, one of Bombay's wealthier neighborhoods.

Wires splay toward adjacent buildings and criss-cross an area where 80,000 potential subscribers live. From the eight-square-foot-(six-square-meter) nerve center of Universal Network, Mr. Khan distributes 12 channels, including those seen in 53 countries on STAR TV, grabbing the signals with five satellite dishes crowding the roof.

Next door, under a lean-to, is the accounts department, where 1,000 rupee ($32) connection fees, 150 rupee monthly subscriptions and advertising revenue from broadcasts and the company's program guide are counted by muscular collection men.

The network, now seen in about 7,000 homes, intends to greatly increase subscriptions and broadcasts of its own advertisements when STAR TV and other broadcasters take commercial breaks.

Tens of thousands of rooftop entrepreneurs do not pay for the programs they distribute.

This move would boost Mr. Khan's revenue and cast doubt on whether STAR TV's availability in 7.2 million homes in India will guarantee that all those subscribers will actually see its advertisements.

"We were the first to show four channels," Mr. Khan says. "Our technology, price and service are better than the competition."

That service includes pirated videos of big Hollywood films, often available the day of their theatrical release in the United States, a purchasing club that gives viewers discounts at local advertisers, a dial-in movie request line and plans to have as many as 40 channels available a year from now.

At this point, Mr. Khan's business plan does not include paying anyone for the use of their programming.

"If STAR and the others encrypt their signals, we might pay for it for a while and then see if our customers are willing to pay," said Mr. Khan, who has bought out smaller rivals and begun undercutting competitors' prices along his service area's boundaries.

"Television is like a drug, so they might want it," he said. "But with so many new channels coming, maybe they won't want the ones they have to pay for."

Long closed to foreign broadcasters and their programming, India has been transformed by the arrival of STAR TV's mix of Western programming and youth-oriented local ZEE-TV broadcasts. Visions of foreign lifestyles, culture and consumerism have at once challenged traditions and attracted advertisers.

But success has prompted imitation and fierce opposition.

"The sky wars are just starting over India," Alyque Padamsee, regional head of the advertising agency Lintas, said. "We will see at least 30 channels here by the end of the year."

Worried by decreasing ratings and revenue, the national government-owned television network, Doordarshan, has opened additional channels to rival producers and is accused of having blackballed producers whose work is shown on ZEE-TV.

At the same time, most international entertainment companies are looking for their own way into the market — and a way of working with Mr. Khan and his peers or cutting them out completely.

"The day pay television makes any money in India is very far away," said Lalit Modi,

See INDIA, Page 11

CURRENCY & INTEREST RATES

Feb. 8

Cross Rates

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.979	2.909	1.123	0.3384	0.1162 •	—	5.437 •	1.3545	1.6145 •	1.4725	1.2869 •
Brussels	34.29	50.53	20.62	6.08	2.1372 •	18.3905	—	24.435	29.104	27.04	23.513 •
Frankfurt	1.7622	2.5975	—	0.3249	0.1037 •	0.8877	4.8026 •	1.1947	1.4498 •	1.3316	1.1585 •
London (a)	1.4715	—	0.5772	0.1688	0.0594 •	0.5094	2.7344	0.7212	0.8403	0.7746	0.6713
Madrid	142.326	209.632	82.829	24.52	8.378 •	72.144	237.146	58.512	121.831 •	104.055	—
Milan	1,699.25	2,503.45	983.75	294.55	—	860.90	4,278	1,153.65	1,445	1,246.60	1,155
New York (b)	—	1.6947 •	0.7165	0.1963	0.0671 •	0.5871 •	3.2637	0.8403	1.0492 •	0.9071	0.7844
Paris	5.07	8.3078	3.3919	—	0.34	2.9978	14.105	—	3.4672	2.9917	2.5866
Tokyo	120.55	197.14	81.75	18.22	—	71.07	335.02	82.69	—	88.12	76.14
Toronto	1.3474	1.9684	0.7836	0.2243	0.0771 •	0.679	3.2089 •	0.9559	1.2339 •	—	0.941 •
Zurich	1.431	2.1732	0.8595	0.2428	0.0851 •	0.7494	4.0678 •	—	1.3614 •	1.1824	1.0259 •
1 ECU	1.1849	0.7522	1.4958	0.4291	1.877.52	2.1798	10.3719	1.8254	2.2818	1.9888	1.7251
1 SDR	1.3757	0.9121	1.4215	0.2165	2337.69	2.74	13.0406	2.2044	2.7536	2.3946	2.1575

Closings in Amsterdam, London, New York and Zurich, fixings in other centers; Toronto rates at 5 p.m.

a: To buy one pound; b: To buy one dollar; •: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9961	Greek droc.	252.88	Mex. peso	3.104	S. Afr. rand	3.4325
Austral. $	1.3841	Hong Kong $	7.744	N. Zealand $	1.7385	S. Kor. won	811.78
Austr. schil.	12.37	Hung. forint	182.51	Norw. krone	7.554	Swed. krona	7.9887
Brazil cruz.	500.00	Indian rupee	31.34	Phil. peso	27.40	Taiwan $	26.43
Chinese yuan	8.6783	Indo. rupiah	2114.03	Polish zloty	21836.	Thai baht	25.45
Czech koruna	30.91	Irish £	0.7089	Port. escudo	176.34	Turkish lira	17617.
Danish krone	6.834	Israeli shek.	2.973	Russ. ruble	1589.00	UAE dirham	3.672
Egypt. pound	3.3435	Kuwaiti dinar	0.2981	Saudi riyal	3.75	Venez. bolив.	109.45
Fin. markka	5.85	Malay. ring.	2.7598	Sing. $	1.5868		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.4800	1.4774	1.4755	Canadian dollar	1.3419	1.3423	1.3427
Deutsche mark	1.7623	1.7661	1.7690	Japanese yen	108.48	108.48	108.36
Swiss franc	1.4895	1.4703	1.4708				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

Feb. 8

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 month	3¼-3⅛	6-5⅞	4 ⅞-4 ⅝	5⅞-5¾	6¼-6⅛	2 ⅛-2 ⅛	6½-6⅜
3 months	3 ⅞-3 ¾	5 ⅞-5 ¾	4 ⅞-4 ⅝	5⅞-5¾	6⅛-6⅛	2⅞-2¼	6 ⅞-6 ⅝
6 months	3 ⅞-3 ¾	5⅞-5¾	3 ⅞-4 ⅛	5⅞-5¾	5⅞-6⅛	2 ⅛-2 ⅛	6⅞-6¼
1 year	3 ⅞-4 ⅛	5 ⅞-5 ⅝	3 ⅞-3 ⅝	5⅞-5¾	5⅞-5¾	2 ⅛-2 ⅛	5⅞-5⅞

Sources: Reuters, Lloyds Bank.

Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev.	Britain		
Discount rate	3.00	3.00	Bank base rate	5¼	5½
Prime rate	6.00	6.00	Call money	5⅜	5⅜
Federal funds	3.00	3 ⅛	1-month interbank	5 ⅝	5 ⅞
3-month CDs	3.03	2.90	3-month interbank	5¼	5 ⅛
Comm. paper 180 days	3.58	3.50	6-month interbank	5¼	5 ⅛
3-month Treasury bill	3.24	3.21	10-year Gilt	6.54	6.52
1-year Treasury bill	3.70	3.67	**France**		
2-year Treasury note	4.42	4.40	Intervention rate	6.20	6.20
5-year Treasury note	5.38	5.35	Call money	6 ⅝	6 ⅛
7-year Treasury note	5.92	5.88	1-month interbank	6⅜	6⅜
10-year Treasury note	5.98	5.93	3-month interbank	6¼	6 ⅞
30-year Treasury bond	6.45	6.39	6-month interbank	6.00	6⅛
Merrill Lynch 30-day Ready asset	2.72	2.72	10-year OAT	5.89	5.82
Japan					
Discount rate	1¾	1¾			
Call money	2 ⅝	2 ⅝			
1-month interbank	2 ⅞	2 ⅞			
3-month interbank	2⅛	2⅛			
6-month interbank	2⅛	2 ⅛			
10-year Government bond	3.85	3.90			
Germany					
Lombard rate	6¾	6¾			
Call money	6.10	6.15			
1-month interbank	6.10	6.10			
3-month interbank	5.90	5.90			
6-month interbank	5.70	5.70			
10-year Bund	5.84	5.85			

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Greenwell Montagu, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	388.75	—2.70
London	380.45	380.55	—2.95
New York	381.70	384.10	+3.40

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April)

Source: Reuters.

MARKET DIARY

Bond Market Drops On Tepid Note Sale

NEW YORK — Stocks were little changed Tuesday, but Treasury bond prices slid after tepid demand for three-year notes at the first of the Treasury's three quarterly refinancing auctions.

The benchmark 30-year bond fell 23/32, to 97 14/32, in late trading, with the yield rising to 6.45 percent from 6.39 percent Monday.

The Treasury sold $17.116 billion in three-year notes at a lackluster auction that reflected most market players' reluctance to buy short-term securities amid uncertainty about the next increase in U.S. interest rates, analysts said.

N.Y. Stocks

The credit market has been under pressure since the Federal Reserve Board pushed up the benchmark federal funds rate by 25 basis points in what analysts said was the first step in a tightening cycle.

Investors are concerned the government's sale of about $12 billion in 10-year notes Wednesday will be even less well received than Tuesday's auction because longer-term issues are pricing in another 25-basis-point tightening by the Fed.

The slumping bond market kept stocks from adding to Monday's gains. The Dow Jones industrial average slipped 0.29 point, to close at 3,906.03. Advancers led decliners by a 9-to-8 ratio, however, on the New York Stock Exchange, with volume thinning from recent active levels.

A snowstorm in the Northeast — which closed two of the New York area's major airports during trading hours and caused some commodity markets to end trading early — also served to limit stock-market moves because major players opted for early departures.

RJR Nabisco topped the New York Stock Exchange's most-active list, edging up ⅛ to 7¼ on a report that the company was demanding higher returns for capital spending.

The most-active over-the-counter stock for the second straight day was Spectrum Information Technologies Inc., which rose 5/16 to 2 9/16 after plunging Monday plunging Monday when its chairman, John Sculley, resigned.

A shareholder suit against the wireless data company is pending.

Among Dow components, Sears fell 3¼ to 47¾ in active trading after releasing lower-than-expected fourth-quarter earnings.

Teléfonos de México was active, gaining 1¼ to 75½.

Pfizer shares tumbled 2⅛ to 59½ in active trading after the company's chief financial officer said Wall Street's earnings estimates were too high.

(Knight-Ridder, Bloomberg, AP)

European Rate View Gives Boost to Dollar

AFP-Extel News

NEW YORK — The dollar rose Tuesday on expectations of declines in European interest rates, despite some reports of efforts by the Bundesbank to intervene and limit the U.S. currency's gains.

The dollar ended trading at 1.7650 Deutsche marks, up from 1.7587 DM at Monday's close. Against other European currencies, it gained to 1.4810 Swiss francs from 1.4685 francs and to 5.9830 French francs from 5.9620, while the pound weakened to $1.4669 from $1.4832.

Foreign Exchange

Against the Japanese currency, the dollar edged up to 108.75 yen from 108.60.

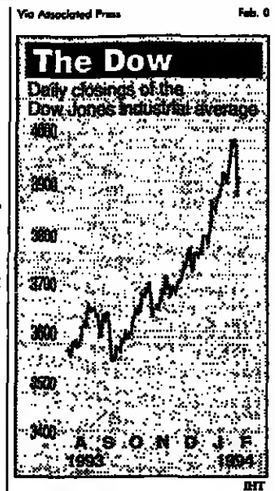
Economists and traders said the dollar was attracting widespread support after last week's rate tightening by the Fed and this week's cuts in interest rates by Britain and Belgium.

Lars Pedersen, an economist at Chemical Bank, said there was evidence the Bundesbank had been intervening in the past few days to try to slow the dollar's advance against the mark. But some traders said they doubted that the German central bank had been active.

Mr. Pedersen said any action by the Bundesbank would have been aimed more at a need to maintain the mark's position against other European currencies than at concern about the dollar's strength.

He added that he still expected the dollar to reach about 1.85 DM over the next couple of months, but only after the Bundesbank has been able to make sure the mark remains close to its current levels against other European currencies.

Via Associated Press Feb. 8


The Dow

Daily closings of the Dow Jones industrial average

IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
RJR Nab	79107	7⅜	7	7¼	—⅛
Sears s	60375	51	47¼	47¾	—3¼
TelMex	44253	75⅝	74¼	75½	+1¼
Pfizer	41787	61¾	57¾	59½	—2⅛
GnMotr	39648	64¾	63⅝	64⅛	+1¾
ABarck s	30889	26⅛	25⅛	25½	—⅛
PlacerD	28560	24⅛	23¾	24	—
Merck	27727	35⅛	34⅝	34⅝	—⅛
PhilMr	27117	59⅝	57¾	58¾	—1⅛
AmExp	24429	31¼	30½	30¾	+⅛
Show s	21769	19⅝	18⅞	19¼	+⅛
FedMog	21359	36⅞	35	36¾	+1¾
IBM	19638	54¾	53⅝	53½	—¾
AT&T	19215	54¾	54¼	54½	...
FtChl97 e	18949	36½	36¼	36⅜	...

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
EchoBay	18346	12⅞	12¼	12⅜	—⅜
ViacB	6609	32¼	31	31⅜	—⅝
Hasbro	6472	34¼	33⅞	33⅞	—½
Elan	6013	45⅝	43¾	44	—1¼
Atari	5708	6½	5⅝	6⅛	+¾
ExpLA	5288	⅜	⅜	⅜	—⅛
IvaxCp	4587	35½	34⅛	35¼	+1⅛
PegGld	3452	20¼	19⅝	19⅝	—⅝
InterDig	3244	4⅝	4	4⅝	+⅛
RoyalO g	2827	4¾	4½	4⁹⁄₁₆	+1/16
SciSNPL n	2817	28½	27⅝	28⅜	+1⅜
Hon wtB	2755	[illegible]	[illegible]	¾	—
TWA vtg	2342	4¹¹⁄₁₆	4½	4⅝	+⅛
ChDevA	2308	5⅛	4¹⁵⁄₁₆	5⅛	+⅛
Thermd s	2100	12	12⅜	12⅜	+¼

NYSE Diary

	Close	Prev.
Advanced	1173	1044
Declined	965	1178
Unchanged	599	527
Total issues	2737	2749
New Highs	66	10
New Lows	35	58

AMEX Diary

	Close	Prev.
Advanced	325	250
Declined	298	386
Unchanged	212	204
Total issues	835	840
New Highs	17	10
New Lows	14	20

NASDAQ Diary

	Close	Prev.
Advanced	1627	1466
Declined	1388	1771
Unchanged	1765	1537
Total issues	4780	4774
New Highs	80	21
New Lows	59	89

Dow Jones Averages

	Open	High	Low	Close	Ch'ge
Indus	—	3,918.47	3,892.53	3,906.03	— 0.29
Trans	—	1,834.26	1,825.88	1,829.19	— 0.46
Util	—	219.42	217.31	218.03	— 1.32
Comp	—	1,422.78	1,414.76	1,418.49	— 1.34

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	551.13	547.48	549.96	— 0.27
Transp.	443.99	441.17	442.41	— 0.84
Utilities	166.47	165.30	165.35	— 1.14
Finance	44.54	44.35	44.38	— 0.12
SP 500	472.33	469.50	471.06	— 0.70
SP 100	438.38	435.84	437.39	— 0.12

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	—	—	261.96	— 0.05
Industrials	—	—	321.95	+ 0.12
Transp.	—	—	279.73	+ 0.70
Utilities	—	—	222.33	— 1.00
Finance	—	—	216.96	+ 0.12

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite			782.70	+ 3.50
Industrials			818.47	+ 5.08
Finance			892.87	+ 1.12
Insurance			925.99	+ 5.01
Telecomm			176.96	— 0.32
Banks			693.68	+ 1.00
Transp.			787.30	+ 2.22

AMEX Stock Index

High	Low	Close	Ch'ge
		477.68	+ 0.84

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	104.83	+ 0.03
10 Utilities	103.14	+ 0.09
10 Industrials	106.49	— 0.03

Market Sales

NYSE 4 p.m. volume	218,040,000
NYSE prev. cons. close	418,062,540
Amex 4 p.m. volume	18,070,140
Amex prev. cons. close	23,073,800
NASDAQ 4 p.m. volume	272,710,800
NASDAQ prev. 4 p.m. volume	377,433,051

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Feb. 7	1,279,456	1,825,996	34,281
Feb. 4	1,037,880	1,926,079	55,632
Feb. 3	938,146	1,667,532	41,509
Feb. 2	1,024,800	1,565,774	34,444
Feb. 1	982,105	1,692,801	30,374

S&P 100 Index Options

Feb. 7

Strike Price	Calls-Last Feb	Mar	Apr	May	Puts-Last Feb	Mar	Apr	May
380	—	—	33½	—	⅛	¼	⅜	—
385	—	50⅝	52⅝	—	⅛	⅛	—	—
390	—	—	—	—	⅛	⅛	1⅛	—
395	—	—	—	—	⅛	⅜	1½	—
400	—	—	38½	—	⅛	⅝	1¾	2⅝
405	—	—	—	—	⅛	1⅛	2⅜	—
410	—	27⅜	—	—	⅛	1⅜	2⅜	4⅛
415	—	—	26½	—	½	1⅝	3⅛	—
420	19	19⅝	21¼	22⅜	⅝	2⅜	3⅞	5⅜
425	14	16	—	—	1	3	4⅝	—
430	9⅝	11½	13½	15⅛	1½	4	6	8⅛
435	5⅝	8⅛	10	—	2⅝	5⅝	7⅝	—
440	2⅝	5	7	9⅛	4½	7⅜	9½	11½
445	⅝	2⅝	4⅜	—	8½	10½	11⅞	—
450	⅛	1⅜	2⅝	4⅛	13¼	13⅝	17¼	14½
455	⅛	⅜	1½	—	18⅝	18½	20	—
460	⅛	⅛	⅜	1⅝	24½	24⅝	—	—
465	—	⅛	⅛	—	—	—	29⅝	—

Calls: total vol. 176,152; total open int. [illegible]
Puts: total vol. 281,985; total open int. 582,681

Price	Dec 94	Dec 95	Dec 96	Dec 94	Dec 95	Dec 96
32½	—	—	—	⅛	—	—
35	—	—	—	—	—	—
37½	—	—	—	⅜	—	—
40	—	—	—	1	—	—
42½	3	4⅝	—	1⅝	2⅝	—
45	1⅝	—	—	2⅝	—	—
47½	—	—	—	—	—	—

Calls: total vol. 1,082; total open int. 28,171
Puts: total vol. 2,884; total open int. 152,866

EUROPEAN FUTURES

Food

COCOA (LCE)
Sterling per metric ton-lots of 10 tons

	Close		High	Low	Prev. Close	
Mar	874	875	875	857	857	858
May	885	886	886	870	871	872
Jul	897	898	898	883	883	884
Sep	913	915	915	898	901	902

Est. volume: n.a.

COFFEE (LCE)
Dollars per metric ton-lots of 5 tons

	Close		High	Low	Prev. Close	
Mar	1,210	1,211	1,217	1,200	1,210	1,211
May	1,209	1,211	1,220	1,200	1,211	1,213
Jul	1,204	1,206	1,216	1,195	1,209	1,218
Sep	1,205	1,208	1,215	1,198	1,208	1,218
Nov	1,203	1,208	N.T.	N.T.	1,210	1,212
Jan	N.T.	1,202	N.T.	N.T.	1,202	1,207
Mar	N.T.	1,202	N.T.	N.T.	1,202	1,207

Est. volume: n.a.

WHITE SUGAR (Matif)
Dollars per metric ton-lots of 50 tons

	High	Low	Close		Ch'ge
Mar	306.00	305.50	305.50	306.50	+ 1.50
May	303.50	302.40	302.60	302.70	— 0.60
Aug	304.50	303.00	302.60	304.00	+ 0.60
Oct	291.50	290.00	289.00	291.00	— 1.70
Dec	N.T.	N.T.	287.50	290.00	— 0.70
Mar	N.T.	N.T.	289.50	291.50	— 0.50

Est. volume: 844. Open int.: 13,486.

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1274.00	1275.00	1280.50	1281.50
Forward	1295.00	1296.00	1300.00	1301.00
COPPER CATHODES (High Grade) Dollars per metric ton				
Spot	1871.50	1872.50	1871.50	1872.50
Forward	1895.00	1896.00	1894.00	1895.00
LEAD Dollars per metric ton				
Spot	498.50	499.50	506.50	507.50
Forward	512.00	512.50	519.00	520.00
NICKEL Dollars per metric ton				
Spot	5770.00	5780.00	5810.00	5820.00
Forward	5835.00	5840.00	5875.00	5885.00
TIN Dollars per metric ton				
Spot	5325.00	5335.00	5370.00	5380.00
Forward	5380.00	5390.00	5425.00	5435.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	983.50	984.50	1003.00	1004.00
Forward	1003.00	1004.00	1023.50	1024.00

London International Financial Futures Exchange (LIFFE) prices were not available for this edition because of problems at the source.

Industrials

GASOIL (IPE)
U.S. dollars per metric ton-lots of 100 tons

	High	Low	Last	Settle	Ch'ge
Feb	145.00	143.25	144.50	144.50	+ 0.75
Mar	146.25	144.50	145.75	145.75	+ 0.50
Apr	146.00	144.25	145.25	145.25	+ 0.50
May	145.00	143.50	144.75	144.75	+ 1.00
Jun	144.75	143.50	144.75	144.75	+ 0.75
Jul	146.50	145.00	146.25	146.25	+ 1.00
Aug	N.T.	N.T.	N.T.	148.50	+ 1.00
Sep	N.T.	N.T.	N.T.	150.50	+ 1.00
Oct	N.T.	N.T.	N.T.	152.25	+ 1.25
Nov	N.T.	N.T.	N.T.	155.25	+ 0.25
Dec	157.50	157.50	157.50	157.00	+ 0.50
Jan	N.T.	N.T.	N.T.	157.00	+ 0.25

Est. volume: 16,657. Open int. 13,513

BRENT CRUDE OIL (IPE)
U.S. dollars per barrel-lots of 1,000 barrels

	High	Low	Last	Settle	Ch'ge
Mar	14.22	13.95	14.02	14.04	— 0.06
Apr	14.26	14.06	14.09	14.08	Unch.
May	14.38	14.20	14.22	14.22	+ 0.07
Jun	14.53	14.38	14.42	14.41	+ 0.14
Jul	14.64	14.53	14.53	14.53	+ 0.14
Aug	14.83	14.68	14.68	14.68	+ 0.10
Sep	14.91	14.86	14.86	14.87	+ 0.12
Oct	N.T.	N.T.	N.T.	15.05	+ 0.14
Nov	N.T.	N.T.	N.T.	15.23	+ 0.16

Est. volume: 50,849. Open int. 158,415

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.578	0.581
Coffee, Braz., lb	0.665	0.665
Copper electrolytic, lb	1.018	1.018
Iron FOB, ton	213.00	213.00
Lead, lb	0.34	0.34
Silver, troy oz	5.225	5.265
Steel (scrap), ton	133.33	133.33
Tin, lb	3.5965	3.5975
Zinc, lb	0.4815	0.4815

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
BankAmerica Corp	Q	.40	2-22	3-14
IRREGULAR				
Camden Property		x .44		
x-record & pay dates unannounced.				
Metro Fincl	-	.05	2-18	2-25
Senior HI IncoPort	-	.0679	3-15	2-28
Senior HI Inco II	-	.075	2-15	2-28
REVERSE STOCK SPLIT				
Solitec Inc 1 for 10				
REGULAR				
ACE Limited	Q	.19	3-31	4-19
BC Gas g	.325	2-16	2-28	
Caraustar Ind	Q	.09	3-22	4-11
Equitable Iowa	Q	.105	2-24	3-15
Geon Company	Q	.125	3-1	3-15
Natl Insurance	Q	.08	2-16	3-1
Oakwood Homes	Q	.02	2-14	2-28
Pacific Telecom	Q	.33	2-10	3-7
Prospect St HiInco	M	.04	2-15	2-28
Puritan Bennett	Q	.03	2-15	2-28
Ralston Purina	Q	.30	2-14	3-11
Schultz Sav O	Q	.04	2-18	3-4
Taurus MuniCA Hld	M	.0603	2-15	2-25
Taurus MunNY Hld	M	.0621	2-15	2-25
Trust Co of NJ.	Q	.80	2-11	3-1
Wynns Intl	Q	.11	3-14	3-31

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

U.K. Bank Sues Metallgesellschaft

NEW YORK (Bloomberg) — Standard Chartered PLC has sued Metallgesellschaft AG's U.S. unit in an effort to head off a debt restructuring contained in the rescue package between the German company and its banks.

Justice Walter Schackman of the New York State Supreme Court granted the British bank a temporary restraining order halting the plan until he decides whether to grant a preliminary injunction. The judge said he expected to reach that decision Wednesday.

Standard Chartered stands to lose $28 million if the debt restructuring goes forward, Vice President Richard Mattner said in an affidavit. Metallgesellschaft's creditor banks reached agreement last month on the 3.4 billion Deutsche mark ($2 billion) rescue package in the wake of oil trading losses at Metallgesellschaft Corp., the U.S. subsidiary. The metals and mining company is to raise 2.7 billion DM through a rights offering and a debt-to-equity swap and would obtain a new credit line of 700 million DM.

U.S./AT THE CLOSE

U.S. Productivity Gained in Quarter

WASHINGTON (Bloomberg) — The productivity of U.S. workers posted the largest gain in a year during the fourth quarter as corporations streamlined operations by eliminating jobs, the government said Tuesday.

The 4 percent increase in nonfarm productivity, following a 4 percent gain in the previous quarter, was the strongest showing since an identical 4 percent rise in the final three months of 1992, the Labor Department said Tuesday. However, for all of last year, productivity rose just 1.6 percent.

Large corporations in January announced their intentions to eliminate 108,946 jobs, according to a report Tuesday from the employment firm Challenger, Gray & Christmas Inc. Many of the jobs slated to disappear are in the communications industry.

Sears Reports Rebound in Earnings

CHICAGO (Bloomberg) — Sears, Roebuck & Co. said it earned $544.6 million, or $1.39 a share, in the fourth quarter, rebounding from a year-earlier loss that came in part from charges to restructure retail operations.

Even though Sears reported strong earnings increases at its Sears Merchandise Group and Allstate Corp. units, its results fell short of Wall Street projections. Analysts expected Sears to earn $1.46 a share. Sears reported a loss of $1.8 billion for 1992's fourth quarter.

Phillip Abbenhaus, an analyst at Stifel Nicolaus, said 1993 fourth-quarter earnings were lower than expected because of advertising costs to promote Sears's new strategy to appeal to mall shoppers and disappointing results from its Canadian retail operations.

Kellogg Raises Cereal Prices

BATTLE CREEK, Michigan (Reuters) — Kellogg Co. said Tuesday it was raising its cereal prices in the United States by an average of 2.6 percent. The increase is the second by Kellogg in six months.

A spokesman for Kellogg attributed the move to higher commodity prices, particularly for wheat and rice.

Kellogg refused to identify prices for specific brands of cereals, but it said the changes range from no increase on some brands to a 7 percent rise on others. The move comes less than a month after Kellogg's chairman, Arnold Langbo, said the cereal giant hoped to moderate promotional spending — such as coupons and discounts — in the United States this year.

Anheuser-Busch Quarterly Profit Up

ST. LOUIS, Missouri (Bloomberg) — Anheuser-Busch Cos. said Tuesday its fourth-quarter profit rose 3 percent on a 5 percent increase in sales, and it projected a first-quarter sales growth of 4 percent.

The world's largest brewer added that it would have a "moderate" increase in the second quarter, while earnings per share also should grow in the first quarter. Net income in the fourth quarter was $167 million, or 62 cents a share, up from $161 million, or 58 cents, a year earlier. Revenue after the payment of excise taxes rose to $2.85 billion from $2.73 billion.

The company said it maintained market share last year, with sales volume representing 44 percent of total brewing industry sales in the United States, according to estimates from the Beer Institute.

AlliedSignal Plans a Stock Split

MORRIS TOWNSHIP, New Jersey (Bloomberg) — AlliedSignal Inc. said Tuesday that its profit in the fourth quarter rose 29 percent as costs and expenses declined. The company also said it planned a 2-for-1 stock split a 16 percent dividend increase, to 33 cents before the split.

AlliedSignal said it expected strong earnings growth this year because of "significant new contracts won," continued cost-cutting in 1993, as well as acquisitions. In the fourth quarter, income rose to $178 million while revenue at the maker of products for the aerospace and automotive industries rose to $3.06 billion from $3.05 billion.

Sweden Backs Upjohn Potency Drug

KALAMAZOO, Michigan (Bloomberg) — Upjohn Co. said Tuesday its Caverject male impotency drug has received its first regulatory approval, from Sweden's Medical Products Agency.

The drug, which is self-injected, relaxes smooth muscle tissue, which in turn enhances blood flow to the penis, creating an erection. Also known as alprostadil, it is derived from prostaglandin E1, which has been used for many years to treat babies with congenital heart defects.

Dr Pepper Earnings Rise to Record

DALLAS (Bloomberg) — Dr Pepper/Seven-Up Cos. said Tuesday that its fourth-quarter earnings rose to a record, fueled by sales gains and reduced expenses.

The No. 3 U.S. soft drink maker said it posted net income of $21.3 million, or 32 cents a share, compared with a loss from operations of $2.93 million, a year earlier. Shares outstanding increased to 66.8 million from 35.6 million, from the company's initial public offering in January 1993.

Besides higher sales, Dr Pepper/Seven-Up's fourth-quarter results benefited from reduced interest expense as a result of debt reduction and refinancing moves in the wake of the company's stock offering.

RATES: *Britain Trims Its Minimum Lending Levy to 5.25%, Lowest Level Since 1972*

Continued from Page 9

raised by the tax on home heating, the government of Prime Minister John Major has been beset by a string of sex and corruption scandals involving members of the Conservative Party, the latest of which was set off by news that a member of Parliament had been found dead Monday in mysterious circumstances.

Although the British rate move was considered unlikely to have an immediate impact on the Bundesbank and other Continental central banks in their deliberations, David Kern, chief economist of National Westminster Bank, said he hoped the cut would "encourage the Germans to accept it doesn't make any sense to use the rise in rates in America as an excuse to postpone their own cuts."

Mr. Kern listed three forces that he said had led to the rate cut and that made further reductions likely this year: the likelihood that underlying inflation would remain low over the next two years; the fact that the pound, despite having depreciated since its forced exit from the European exchange-rate mechanism in September 1992, had proven "quite resilient" in recent months; and the expectation that lower interest rates would "counteract the potential deflationary effect" of the coming tax increases.

Mr. Clarke, in an interview Monday, insisted he would decide on interest rates on the basis of domestic economic conditions, and especially inflation.

WORLD STOCK MARKETS

Agence France Presse Feb. 8

Amsterdam	Close	Prev.
ABN Amro Hld	69.80	68.40
ACF Holding	59.60	57.10
Aegon	106.50	105.70
Ahold	53.20	51.70
Akzo	209	205.60
AMEV	83.60	83.80
Bols-Wessanen	45.10	44.50
CSM	76.60	75.70
DSM	109.90	108.10
Elsevier	191	187.30
Fokker	21.90	21.40
Gist-Brocades	55.30	54.40
HBG	283	279
Heineken	232.30	230.30
Hoogovens	63.70	60.80
Hunter Douglas	86.50	87
IHC Caland	44.80	42.40
Inter Mueller	86.50	86.20
Int'l Nederland	89.40	88
KLM	52	51.80
KNP BT	47.90	46.30
Nedlloyd	76.60	69.60
Oce Grinten	73.10	71
Pakhoed	55.30	53.70
Philips	48.30	46.70
Polygram	82.50	80.70
Robeco	130.60	129.10
Rodamco	64.20	64.80
Rolinco	134.80	133.10
Rorento	100.20	100.20
Royal Dutch	209.60	206.80
Stork	43.30	42.80
Unilever	233	230.30
Van Ommeren	41.90	46.60
VNU	199	194.40
Wolters/Kluwer	124.20	122.80

EOE Index 434.54
Previous : 428.43

Brussels	Close	Prev.
Acec-UM	2840	2800
AG Fin	2995	2950
Arbed	N.A.	4220
Barco	2400	2370
Bekaert	23725	22925
Cockerill	182	178
Cobepa	5780	5800
Delhaize	1480	1452
Electrabel	6350	6380
GIB	1520	1510
GBL	4340	4270
Gevaert	9820	9790
Kredietbank	7680	7720
Petrofina	10675	10700
Powerfin	3380	3390
Royal Belge	5970	5950
Soc Gen Banque	8660	8800
Soc Gen Belgique	2850	2865
Sofina	15225	15250
Solvay	14900	14825
Tractebel	11775	11600
UCB	24700	24450

Current Stock Index : 7772.37
Previous : 7741.96

Frankfurt	Close	Prev.
AEG	163.50	163.50
Allianz Hold	2670	2655
Altana	640.50	643
Asko	1180	1120
BASF	294	290.80
Bayer	357.20	351.50
Bay. Hypo bank	458	455
Bay Vereinsbk	517	512
BBC	694	684
BHF Bank	445	439.50
BMW	775	760
Commerzbank	361	354.50
Continental	251	247
Daimler Benz	806.50	795
Degussa	467	454
Dt Babcock	255	255
Deutsche Bank	814	792.50
Douglas	560	550
Dresdner Bank	415.50	405.20
Feldmuehle	324	330
F Krupp Hoesch	179.80	170.50
Harpener	321	319.50
Henkel	619	618
Hochtief	1180	1204
Hoechst	300.50	300.50
Holzmann	1000	1000
Horten	236	232
IWKA	384	378
Kali Salz	158	157
Karstadt	538	526
Kaufhof	479	467.50
KHD	120.50	116.50
Kloeckner Werke	121.40	119.00
Linde	862.50	855
Lufthansa	185	181
MAN	400	392
Mannesmann	433	425
Metallgesell	223	221
Muench Rueck	3500	3475
Porsche	837.50	820
Preussag	454.50	448
PWA	227	225.50
RWE	465.50	465.50
Rheinmetall	330	327
Schering	1050	1043
SEL	392	390
Siemens	697.10	687
Thyssen	252	244.60
Varta	370	369.50
Veba	486.50	482.50
VEW	364.50	360
Viag	473.50	471
Volkswagen	442	437.50
Wella	795	785

DAX Index : 2107.21
Previous : 2079.40
FAZ Index : 874.14
Previous : 869.43

Helsinki	Close	Prev.
Amer-Yhtyma	132	129
Enso-Gutzeit	45.20	43
Huhtamaki	213	209
K.O.P.	17	16.50
Kymmene	125	120
Metra	235	240
Nokia	324	321
Pohjola	98	100
Repola	117	113
Stockmann	215	210

HEX Index : 1943.57
Previous : 1899.33

Hong Kong	Close	Prev.
Bk East Asia	53.50	53.50
Cathay Pacific	13.70	13.20
Cheung Kong	46.50	47.25
China Light Pwr	45.75	47.25
Dairy Farm Int'l	13.60	13.60
Hang Lung Dev	18.20	17.90
Hang Seng Bank	57.50	56
Henderson Land	53	50.50
HK Air Eng.	44.75	47
HK China Gas	21.40	21.70
HK Electric	28.90	30.50
HK Land	28.90	28.50
HK Realty Trust	25.30	25.40
HSBC Holdings	124	124
HK Shang Htls	13.90	14
HK Telecomm	15.70	15.20
HK Ferry	13.10	13.30
Hutch Whampoa	30.25	29
Hysan Dev	28.90	29
Jardine Math.	78	76.50
Jardine Str Hld	35	35
Kowloon Motor	17.20	17.20
Mandarin Orient	12	12
Miramar Hotel	25	24.30
New World Dev	36.25	35
SHK Props	62.50	65
Stelux	5.30	5.10
Swire Pac A	63	62.50
Tai Cheung Prps	13.80	13.60
TVE	3.65	3.65
Wharf Hold	34.75	34.75
Wing On Int'l	N.A.	N.A.
Winsor Ind.	13.30	13.30

Hang Seng Index : 11454.10
Previous : 11414.29

Johannesburg	Close	Prev.
AECI	18.75	18.75
Altech	95	95
Anglo Amer	205	210
Barlows	N.A.	—
Blyvoor	8	9
Buffels	49	N.A.
De Beers	108	109
Driefontein	50.50	52.25
Gencor	8.20	8.20
GFSA	91	97
Harmony	24.50	26
Highveld Steel	16	17
Kloof	46	48.50
Nedbank Grp	27.50	27.25
Randfontein	45	40
Rusplat	74.50	74.50
SA Brews	88.50	90
St Helena	40	N.A.
Sasol	22.25	22
Welkom	41	42.25
Western Deep	165.50	168

Composite Index : 4890.58
Previous : 4932.76

London	Close	Prev.
Abbey Nat'l	5.08	5
Allied Lyons	6.23	6.22
Arjo Wiggins	2.83	2.72
Argyll Group	2.60	2.59
Ass Brit Foods	5.73	5.78
BAA	10.64	10.55
BAe	5.67	5.65
Bank Scotland	2.31	2.26
Barclays	5.87	5.97
Bass	5.57	5.47
BAT	5.12	5.17
BET	1.44	1.46
Blue Circle	3.71	3.65
BOC Group	6.95	7.05
Boots	5.56	5.52
Bowater	4.90	4.85
BP	3.84	3.76
Brit Airways	4.78	4.83
Brit Gas	3.39	3.39
Brit Steel	1.41	1.38
Brit Telecom	4.40	4.44
BTR	3.82	3.80
Cable Wire	5.10	5.12
Cadbury Sch	5.10	5.07
Caradon	4.13	4.10
Coats Viyella	2.75	2.76
Comm Union	6.56	6.70
Courtaulds	5.26	5.27
ECC Group	5.22	5.03
Enterprise Oil	4.61	4.60
Eurotunnel	5.70	6
Fisons	1.32	1.34
Forte	2.53	2.54
GEC	3.47	3.49
Gen'l Acc	6.92	6.92
Glaxo	6.73	6.65
Grand Met	4.48	4.41
GRE	2.29	2.33
Guinness	5.22	5.23
GUS	5.96	6.04
Hanson	2.94	2.92
Hillsdown	1.76	1.75
HSBC Hldgs	10.45	10.35
ICI	8.06	7.91
Inchcape	5.65	5.74
Kingfisher	6.43	6.35
Ladbroke	2.03	2
Land Sec	7.63	7.60
Laporte	8.36	8.30
Lasmo	1.36	1.33
Legal Gen Grp	5.12	5.12
Lloyds Bank	6.07	6.17
Marks Sp	4.20	4.20
MEPC	5.36	5.27
Nat'l Power	4.76	4.76
NatWest	5.43	5.55
NthWst Water	5.82	5.83
Pearson	7.10	7.15
P & O	7.08	7.07
Pilkington	1.92	1.90
PowerGen	5.50	5.53
Prudential	3.45	3.47
Rank Org	10.46	10.43
Reckitt Col	6.80	6.85
Redland	6.34	6.14
Reed Intl	9.36	9.27
Reuters	19.82	19.15
RMC Group	9.68	9.51
Rolls Royce	1.74	1.75
Rothmn (unit)	4.63	4.40
Royal Scot	5	5.06
RTZ	8.76	8.48
Sainsbury	3.63	3.53
Scot Newcas	5.42	5.42
Scot Power	4.52	4.43
Sears Holds	1.23	1.24
Severn Trent	6.20	6.20
Shell	7.18	7.09
Siebe	5.89	5.77
Smith Nephew	1.48	1.49
SmithKline B	4.18	4.11
Smith (WH)	4.95	4.92
Sun Alliance	3.94	3.93
Tate & Lyle	4.49	4.54
Tesco	2.21	2.19
Thorn EMI	11.15	11.28
Tomkins	2.60	2.59
TSB Group	2.67	2.75
Unilever	12.20	12.20
Utd Biscuits	3.56	3.55
Vodafone	6.17	6.07
War Loan 3½	52.56	51.50
Wellcome	6.44	6.33
Whitbread	5.64	5.55
Williams Hdgs	3.96	3.84
Willis Corroon	2.21	2.24

F.T. 30 Index : 2641.50
Previous : 2632.90
F.T.S.E. 100 Index : 3440.20
Previous : 3419.19

Madrid	Close	Prev.
BBV	3430	3390
Bco Central Hisp.	3025	3015
Banco Santander	7320	7190
CEPSA	3200	3130
Dragados	2405	2380
Endesa	7590	7540
Ercros	144	140
Iberdrola I	1145	1110
Repsol	4790	4735
Tabacalera	4285	4245
Telefonica	2165	2135

S.E. General Index : 354.72
Previous : 347.34

Milan	Close	Prev.
Banca Comm	5478	5385
Bastogi	86.50	88
Benetton group	26750	26500
CIR	2340	2275
Cred Ital	2694	2588
Enichem	2710	2640
Ferfin	2020	1997
Ferfin Risp	809	783
Fiat SPA	4945	4818
Finmeccanica	1825	1671
Generali	41000	40450
IFI	19500	18789
Italcem	12775	12500
Italgas	5850	5760
Italmobiliare	40290	38600
Mediobanca	16600	16000
Montedison	1191	1193
Olivetti	2490	2350
Pirelli	4600	4420
RAS	27875	27000
Rinascente	10090	9580
Saipem	3480	3390
San Paolo Torino	10730	10400
SIP	4301	4136
SME	3901	3858
Snia	1931	1845
Standa	28300	28200
Stet	4680	4550
Toro Assi Risp	30450	29300

MIB Index : 1083
Previous : 1063

Montreal	Close	Prev.
Alcan Aluminum	32⅜	32
Bank Montreal	28⅝	28⅝
Bell Canada	43½	43¾
Bombardier B	20⅝	20⅛
Cambior	21½	21¾
Cascades	8	7¾
Dominion Text A	7¾	7⅝
Donohue A	25¾	25
MacMillan Bl	22¾	22
Nat'l Bk Canada	11	11
Power Corp.	22¾	22⅝
Quebec Tel	21⅝	21½
Quebecor A	19	19
Quebecor B	18½	19⅛
Teleglobe	21	21
Univa	7⅛	7½
Videotron	28	28¼

Industrials Index : 1945.77
Previous : 1940.25

U.S. FUTURES

Via Associated Press Feb. 8

Degussa's Restructuring Pays Off

By Brandon Mitchener
International Herald Tribune

FRANKFURT — No longer burdened by unprofitable mining activities, the German specialty chemicals, precious metals and pharmaceuticals conglomerate Degussa AG is poised to boost its profitability with or without an economic recovery, company executives and analysts said Tuesday.

"Sales and profits are a long way from soaring, but they are rising," said the company's managing director, Gert Becker, after announcing a 5 percent increase in sales, to 3.5 billion Deutsche marks ($2 billion) and a 25 percent increase in pretax profit, to 61 million DM, in the fourth quarter of 1993.

In the year ended Sept. 30, sales rose 16 percent and profit was flat at 121 million DM.

"If the economy expands in the second half, that is reason enough to start thinking about a higher dividend," he said. Last year, its payout was unchanged at 7 DM a share.

Degussa shares jumped nearly percent, to 467 DM from 454 DM, on the strong quarterly profit rise. Analysts said the company appeared to be on the road to recovery after two years of restructuring that saw a 400 million DM reduction in operating costs and a 15 percent, or 5,180, cut in staff.

While part of the company's performance last year can be attributed to one-time gains, analysts said Degussa's successful restructuring showed the earnings potential that awaits other German companies that started cutting costs later.

"Degussa realized early that its overhead was too high," said Harald Gruber, an analyst at Nomura Research Institute Deutschland and author of a recent report on Degussa's transformation from a metals conglomerate to a specialty chemicals manufacturer.

"They did everything right except for Leybold," Mr. Gruber said, referring to the costly sale of Degussa's unprofitable vacuum-technology unit to Switzerland's Oerlikon-Bührle Holding AG in January. "Now Leybold is gone, and they are in a good position to use the money that has been wasted for the last few years more efficiently in developing their chemicals and pharmaceuticals operations."

Founded as a coin and precious metals concern in 1868, Degussa is still widely regarded as a metals company. Karl Wagner, an analyst at Dresdner International Research Institute, a subsidiary of Dresdner Bank AG, noted that Degussa's shares rose sharply recently when Metallgesellschaft AG, another company heavily dependent on metals trading, announced it was in trouble. "Degussa and Metallgesellschaft are classic investment alternatives," he said.

But while metals-sector sales still account for half of revenue, their contribution to earnings is declining as diversification in other fields, especially pharmaceuticals, begins to pay off.

"Degussa only uses their metals activities to guarantee a supply of materials for value-added products," Mr. Gruber said. On the other hand, "Metallgesellschaft saw metals as a profit center" and suffered when cheap imports from Eastern Europe undermined its prices, he said.

Degussa has concentrated its precious metals activities on refining and trading and selling products containing precious metals. It dissolved its primary production division, which included mining activities, on Sept. 30.

Reuters' Profit Rise Of 15% for 1993 Exceeds Forecast

Bloomberg Business News

LONDON — Reuters Holdings PLC said Tuesday its pretax profit for 1993 rose 15 percent, to £440 million ($652 million), from £383 million in 1992.

As it announced its stronger-than-expected results, which included a return to double-digit revenue growth in the second half of the year, Reuters also said it would recommend a 4-for-1 split of its ordinary shares. It also said its American depositary receipts, which have each represented three current shares, would be redefined to represent six of the new shares.

The international news and financial information company's final dividend was 19.8 pence a share, bringing the total dividend for 1993 to 26 pence a share, an increase of 23 percent.

"These results came in at the top range of estimates," said Brian Rusling, who follows Reuters for Yamaichi International. "They've seen order levels pick up during the second half and could well see double-digit revenue growth continue in 1994."

Reuters shares rose 67 pence, or more than 3 percent, to close at £19.82.

Analysts polled by Bloomberg Business News had predicted pretax profit would total £433.1 million.

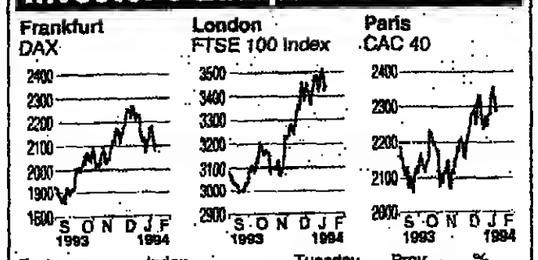
"Reuters is still a 'buy,'" Belinda Clinton, an analyst at NatWest Markets, said in evaluating the results.

Some analysts said the most significant news for investors was that Reuters had resumed showing double-digit revenue growth in the second half after a couple of years of slower expansion.

The company's revenue grew 7 percent in 1992, but in the second half of 1993, its underlying growth — which excludes the effects of foreign-currency translations — reached an annual rate of 10 percent, its finance director, Rob Rowley, said.

Without correcting for foreign-currency translations, sales rose almost 20 percent, to £1.87 billion, and earnings per share were up 29 percent, at 72 pence. The figures were helped by the decline in the value of the pound during the year.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	436.54	428.43	+1.89
Brussels	Stock Index	7,772.21	7,741.98	+0.39
Frankfurt	DAX	2,107.21	2,079.40	+1.34
Frankfurt	FAZ	814.14	800.65	+1.68
Helsinki	HEX	1,943.57	1,899.33	+2.33
London	Financial Times 30	2,641.50	2,632.90	+0.33
London	FTSE 100	3,440.20	3,419.10	+0.62
Madrid	General Index	354.72	347.24	+2.15
Milan	MIB	1,083.00	1,063.00	+1.88
Paris	CAC 40	2,299.85	2,287.06	+0.56
Stockholm	Affaersvaerlden	1,824.50	1,801.45	+1.28
Vienna	Stock Index	502.33	499.55	+0.56
Zurich	SBS	1,870.52	1,067.29	+0.30

Sources: Reuters, AFP

International Herald Tribune

Granada Raises Bid For LWT

Compiled by Our Staff From Dispatches

LONDON — Granada Group PLC raised its bid for the television broadcaster LWT (Holdings) PLC on Tuesday, and some analysts called the new offer a good one despite LWT's quick rejection.

The new bid to create Britain's biggest commercial programming concern values LWT at about £776 million ($1.15 billion) and LWT's shares at 750 pence each.

Granada is offering 13 of its shares plus 100 pence cash for every 10 LWT shares or 686 pence a share in cash. The original bid was six Granada shares for every five of LWT, or 528 pence. News of the increased bid sent LWT shares up 35 pence, to 737 pence.

Anthony de Larrinaga, a media analyst at Panmure Gordon & Co., said, "LWT's shareholders should accept the offer if they have sense."

But LWT's chairman, Sir Christopher Bland, said the offer seriously undervalued the performance and potential of LWT.

LWT has the London weekend broadcast license for ITV, Britain's independent television network.

A merger with Granada, which has a broadcast license for northwestern England and operates rental, leisure and computer businesses, would give the combined company a potential audience of 16 million people. *(Reuters, Bloomberg, AFX)*

Lloyd's Loss Put at £2 Billion

Compiled by Our Staff From Dispatches

LONDON — Lloyd's of London is expected to sustain a £2.05 billion ($3 billion) loss, its fourth consecutive year of bad results, when it publishes its results for 1991 on May 25, Chatset Ltd. said.

This was double Chatset's estimate of £1 billion made in September. The independent analytical company also predicted the insurance market would suffer a further £1 billion loss in 1992 before returning to profitability for 1993. Lloyd's publishes its results with a three-year delay to allow for the settlement of insurance claims.

Chatset's estimates have proven more accurate than Lloyd's own.

"Poor underwriting in 1991 accounted for a deterioration of £700 million," said Charles Sturge, co-editor of Chatset's guide, referring to losses carried over into 1991 from claims on insurance policies from previous years.

A total of £850 million of losses are expected to stem from insurance policies Lloyd's wrote in previous years, notably the 1980s and 1990. In addition, inadequate reserving for catastrophes were multiplied by the impact of the London-market-excess reinsurance spiral.

The spiral was essentially a fee-driven phenomenon, in which some underwriters took on reinsured liabilities without proper knowledge of the risks they were accepting and then inadequately reinsured these risks, leaving them with substantial exposure. This practice coincided with a spate of seven catastrophes between 1987 and 1990, costing Lloyd's an estimated £13.6 billion.

According to Chatset, catastrophes such as the Exxon Valdez oil spill "are still churning around the spiral, causing syndicates to find extra reserves as their reinsurance protection is threatened."

A breakdown of where Chatset expects losses to be deepest shows that despite an estimated £4.13 billion of premiums in 1991, marine insurers will sustain a loss of £1.1 billion. This stemmed from "all-time record losses" of vessels for "bread-and-butter" cargo and hull insurance in 1991, Mr. Sturge said.

Looking at 1993, Chatset said it was confident Lloyd's would bounce back; 1993 has "all the hallmark of a first-class year."

(Bloomberg, Reuters)

Stora Reverses Its 1992 Loss

Bloomberg Business News

STOCKHOLM — Stora Kopparbergs Bergslags AB said Tuesday it had profit of 530 million kronor ($67 million) in 1993, reversing a loss of 1.4 billion kronor in 1992, largely because of favorable currency-rate movements and its cost-cutting program.

The paper-and-forestry-products company also announced plans to merge its packaging operations with those of the Ahlstrom group of Finland.

In the fourth quarter, Stora had a profit of 236 million kronor, compared with a loss of 926 million kronor a year earlier. Its board proposed an unchanged dividend of 6.50 kronor a share.

INDIA: *Widespread Piracy Poses Problems for TV*

Continued from Page 9

who heads the part of the sprawling family-owned Modi group that has formed a joint venture with Walt Disney Co. to distribute and produce programs in South Asia.

"The future is in local-language programming and delivering a well-defined advertising audience," said Mr. Modi, whose first dubbing of a Disney production into Hindi is now broadcast on Doordarshan's main channel. That children's show is the country's most successful program.

Buena Vista Television (India) Ltd., the Modi-Disney venture, says it can dub most of the Disney catalogue into Hindi and India's other main languages and tap into Bombay's massive domestic film-production business.

Mr. Modi also says he will announce plans for his own Hindi-language entertainment channel within two months after negotiations for satellite access are completed.

But even if Mr. Modi, Buena Vista or others form their own networks, they will still have to deal with the Mr. Khans of the cable world.

With many operators across the country allegedly backed by criminal organizations that provide protection in return for a stake in their cash flow, buying out the independent operators will not be a simple task.

■ STAR TV Names Deputy

Gene Swinstead, formerly the general manager of the South China Morning Post in Hong Kong, will join STAR TV immediately as its deputy general manager, Agence France-Presse reported from Hong Kong.

CAR: *Toy or Hot Rod for Asia?*

Continued from Page 9

ber of high-performance cars," said Gianfranco Venturelli, general manager. "Making cars in mass production is a different culture."

A more plausible explanation for the purchase, estimated to run the Southeast Asian investors between $35 million and $45 million, was suggested by the seller.

Tony Cervone, spokesman for Chrysler, said Lamborghini and its engineering department would aid the buyers in their interest in expanding into Formula 1 racing and developing technology for so-called supercars, expensive high-performance racing cars sold for road use.

Mr. Suharto and Mr. Djody, through their Bermuda companies, have invested $7.6 million over the past 18 months to take a 57 percent stake in Vector Aeromotive, a small Wilmington, California, company that next year hopes to begin selling its $190,000 Avtech SC Super Coupe.

"They have no development skills," Mr. Cervone said of Vector. "With Lamborghini, they'll be getting a huge set of brains."

Very briefly:

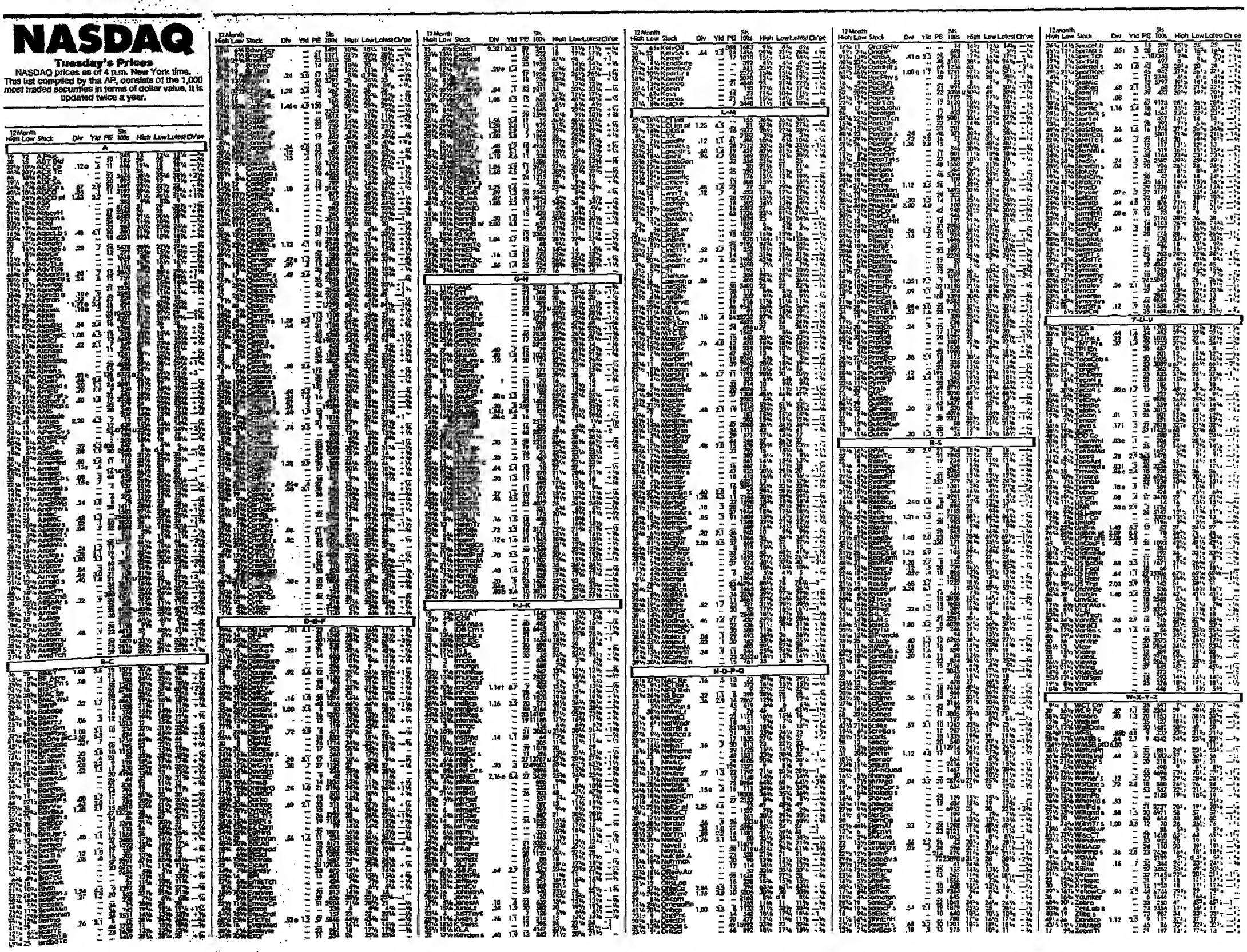
- **Istituto Mobiliare Italiano SpA** said the Italian government's initial public offering of a 33 percent stake was almost 10 times oversubscribed.
- **The European Monetary Institute**, the forerunner of the European Union's central bank, has chosen **Robert Raymond**, the head of the **Bank of France**'s credit department, as its director general.
- **Schering AG**, the German chemicals and pharmaceuticals company, said it earned 254 million Deutsche marks ($144 million) in 1993, down 3 percent from 1992.
- **Royal Dutch/Shell Group**'s proposed merger of its Shell Petroleum polyolefin business with the Nederland division of **Montedison SpA** is the subject of a European Commission investigation.
- **Codelouf & Co.**, a Gibraltar-based investment company, said it will hold a 4 percent stake in **Montedison SpA** by the end of February.
- **Skandinaviska Enskilda Banken** said it will sell three finance units in its **FinansSkandic** group to General Electric Co. of the United States.
- **De Beers Consolidated Mines Ltd.**, is selling £150 million ($222 million) in 15-year bonds in the British market, priced to yield 165 basis points more than the comparable British government bond.
- **Banca Nazionale del Lavoro SpA**'s certificate of deposit and senior debt ratings were lowered by **Standard & Poor's Corp.**; separately, the bank's president, **Giampero Cantoni**, resigned.
- **Royal KNP BT NV** said it would sell its Korean graphics distribution company, **BTI-Korea Co.**, and **Modern Printing Ltd.**, of Hong Kong, to the Danish group **East Asiatic Co.**
- **PSA Peugeot-Citroën SA**, Europe's third-largest automaker, said sales in 1993 fell to 145.4 billion francs ($244 million) from 155.4 billion francs the previous year.
- **Digital Equipment Corp.** will cut 5,000 to 6,000 jobs in Europe in the next 12 to 18 months as part of a revamp of the unprofitable unit; Digital now employs about 29,000 in Europe.
- **Mirror Group Newspapers**, leading a group of investors trying to buy Britain's Independent newspaper, sought to raise its bid for the troubled **Newspaper Publishing PLC**.
- **Societa Finanziaria Telefonica SpA**'s net profit for 1993 should exceed 1.4 trillion lire ($82 million), in line with 1992 results, the managing director said.

Bloomberg, AFX, Reuters, AFP

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



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INTERNATIONAL FUNDS

Feb. 8, 1994

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

ABC INVESTMENT & SERVICES CO (E.C.)	
Manama-Bahrain,PO 2808,Fx 533062 Tl 532235	
m ABC Futures Fund Ltd___$	134.45
m ABC Islamic Fund (E.C.)___$	124.02
m ABC Global Recovery Fd___$	105.26
ABN AMRO BANK, P.O. Box 283, Amsterdam	
w Columbia Securities___Fl	165.88
w Trans Europe Fund Fl___Fl	102.33
w Trans Europe Fund $___$	52.76
w Atrenio___Fl	280.00
AIG FUND MANAGEMENT Ltd	
d AIG Amer. Eq. Trust___$	31.3030
w AIG Balanced World Fd___$	111.1148
w AIG Eurocu Fund Plc___Ecu	136.9906
w AIG Euro Small Co Fd Plc___$	156.1032
w AIG Europe Fd Plc___$	134.0084
w AIG Japan Fund___$	114.4123
w AIG Latin America Fd Plc___$	166.5433
w AIG Millicurrency Bd Fd Plc___$	110.1167
w AIG South East Asia Fd___$	270.7032
d High Life Fund___Ecu	9.93
d UBZ Euro-Optimizer Fund___Ecu	13.60
d UBZ Liquidity Fund $___$	112.7846
d UBZ Liquidity Fund DM___DM	123.1537
d UBZ Liquidity Fund Ecu___Ecu	123.9865
d UBZ Liquidity Fund SF___SF	120.4765
ALFRED BERG	
d Alfred Berg Norden___$	195.03
Alfred Berg Sicav	
d Far East___$	173.76
d Germany___DM	238.11
d Global___$	174.46
d Japan___Y	11787.00
d Netherlands___Fl	242.43
d North America___$	118.37
d Switzerland___SF	208.07
d U.K.___£	83.11
ALPHA FUND MANAGEMENT, LTD	
48 Par-La-Ville Rd. Hamilton, HM11 Bermuda	
w Alpha Asia Hedge (Jan 31)___$	169.80
m Alpha Europe Fd (Dec 31)___Ecu	273.91
m Alpha Futures Fd (Dec 31)___$	222.46
m Alpha Gibl Prp Trad___$	
m Alpha Global Fd (Dec 31)___$	1000.56
m Alpha Hedge Fd (Dec 31)___$	490.08
m Alpha Japan Spec (Dec 31)___$	271.86
m Alpha Latin Amer (Dec 31)___$	275.08
m Alpha Pacific Fd (Dec 31)___$	449.75
m Alpha SAM___$	132.21
m Alpha Short Fd (Dec 31)___$	67.66
m Alpha Sht-T Fix Inc (Dec 31)___$	108.46
m Alpha Tilldale Fd (Jan 31)___$	168.21
m Alpha Worthington (Jan 31)___$	113.97
m Buch-Alpha EurHdg Dec 31___Ecu	146.57
m Curr-Alpha Htm Cr Jan 31___$	372.62
m Globalvest Value (Jan 31)___$	139.06
w Helsei Japan Fund___Y	13111
m Hemisphere Neutral Dec 31___$	114.40
m Latinvest Value___$	
m NichApol Aurelia (Jan 31)___$	107.17
m Pacif RIM Opp BVI Jan 31___$	116.06 E
m Ringoen Int'l Fund (Dec 31)___$	87.17
m Sage Int'l Fd (Jan 31)___$	115.20
m Salus Int'l Fd (Jan 31)___$	110.47
ARRAL ASSOCIATES LTD	
w Arral American Quant Fd___$	14.00
w Arral Asian Fund___$	413.70
w Arral Int'l Hedge Fund___$	236.33
BAII, 12 Place Vendome, 75001 Paris	
m Intermarket Fund___$	598.26
f Interpitl Convert Bds___FF	2877.36
f Interpitl Intl Bds___$	522.83
r Interpitl Obli Convertibles___$	676.48

d Fructilux - Actions Euro D___Ecu	1860.00
d Fructilux - Court Terme E___FF	8444.79
d Fructilux - D Mark F___DM	1063.19
CALLANDER	
w Callander Emer. Growth___$	136.53
w Callander F-Asset___$	150.46
w Callander F-Austrian___AS	1413.78
w Callander F-Spanish___Pta	10067.00
w Callander F-US Health Care___$	82.83
w Callander Swiss Growth___SF	159.01
CAMPBELL (BERMUDA) LTD	
w Glbl Institutional (14 Jan)___$	934.49
w Glbl Investors (14 Jan)___$	1000.00
CANADIAN INTERNATIONAL GROUP	
d CI Canadian Growth Fd___C$	6.53
d CI North American Fd___C$	7.84
d CI Pacific Fund___C$	18.41
d CI Global Fund___C$	9.72
d CI Emerg Markets Fd___C$	9.85
d CI European Fund___C$	5.98
d Canada Guar. Mortgage Fd___C$	19.08
CAPITAL INTERNATIONAL	
w Capital Int'l Fund___$	137.49
w Capital Italia SA___$	42.39
CDC INTERNATIONAL	
w CEP Court Terme___FF	171570.45
w GFI Long Terme___FF	1517288.60
CIC GROUP	
d Oblicic Court Terme___FF	17441.46
d Oblicic Monetaire___FF	16751.71
CINDAM BRAZIL FUND	
d Cindam Equity Fund___$	142.9173
d Cindam Balanced Fund___$	104.5321
CITIBANK (LUXEMBOURG) S.A.	
POB 1373 Luxembourg Tel. 477 95 71	
d Citinvest Global Bond___$	104.33
d Citinvest FGP USD___$	1292.93
d Citinvest FGP ECU___Ecu	1363.08
d Citinvest Selector___$	1726.71
d Citicurrencies USD___$	1516.05
d Citicurrencies DEM___DM	140.24
d Citicurrencies GBP___£	160.41
d Citicurrencies Yen___Y	12346.00
d Citiport N.A. Equity___$	243.80
d Citiport Cont. Euro Equity___Ecu	193.90
d Citiport U.K. Equity___£	152.27
d Citiport French Equity___FF	1593.25
d Citiport German Equity___DM	94.59
d Citiport Japan Equity___Y	4843.00
d Citiport IAPEC___$	261.95
d Citiport Eamec___$	194.32
d Citiport N.A. $ Bond___$	166.51
d Citiport Euro Bond___Ecu	164.74
d Managed Currency Fund___$	142.42
d Citimarkets Global Equity___$	128.03
d Citimarkets Global Bond___$	123.22
d Citimarkets Euro Equity___$	131.75
w Citimkts Glob Emerg Mkts___$	166.W
CITIBANK (PARIS) S.A.	
w Citi 96 Cap Gtd___$	10112.637
CITITRUST	
w US $ Equities___$	282.2867b
w US $ Money Market___$	15.87868
w US $ Bonds___$	17.71742
w Citiland___$	1368.44353
m Citiperformance Pfll S.A.___$	15.69442
w The Good Earth Fund___$	13.41482
COMGEST (33-1) 44 70 75 15	
w Comgest Asia___$	1424.25
b Comgest Europe___SF	1269.01
CONCEPT FUND	
b WAM Global Hedge Fd___$	1135.05
b WAM Intl Bd Hedge Fd___$	1030.74

EVEREST CAPITAL (809) 292 2200	
m Everest Capital Intl Ltd___$	132.33
FIDELITY INT'L INV. SERVICES (Lux)	
d Discovery Fund___$	21.20
d Far East Fund___$	79.05
d Fid. Amer. Assets___$	205.31
d Fid. Amer. Values IV___$	117450.00
d Frontier Fund___$	40.23
d Global Ind Fund___$	20.42
d Global Selection Fund___$	23.52
d International Fund___$	20.59
d New Europe Fund___$	13.74
d Orient Fund___$	126.44
d Pacific Fund___$	407.08
d Special Growth Fund___$	40.15
d World Fund___$	121.97
FINMANAGEMENT SA-Lugano(41.91/239312)	
w Delta Premium Corp___$	1165.00
PONUS BANN A.S. 471 428 535	
w Scanfonds Int'l Growth Fd___$	1.13
FUND MARKETING GROUP (BID)	
P.O. Box 2001, Hamilton, Bermuda	
m FMG Global (31 Dec)___$	15.31
m FMG N. Amer. (31 Dec)___$	12.45
m FMG Europe (31 Dec)___$	11.29
m FMG EMG MKT (31 Dec)___$	13.24
m FMG D (31 Dec)___$	10.70
GAIA CURRENCY FUNDS	
w Gaia Hedge II___$	161.80
w Gaia Hedge III___$	15.14
w Gaia Swiss Franc Fd___SF	56.46
w GAIA Fx___$	120.58
m Gaia Guaranteed Cl. I___$	87.91
m Gaia Guaranteed Cl. II___$	57.86
GARTMORE INDOSUEZ FUNDS 07/02/94	
Tel : (352) 46 54 24 470	
Fax : (352) 46 54 23	
BOND PORTFOLIOS	
d DEM Bond___Dis 5.76___DM	6.64

HASENRICHLER ASSET MANGT Ges.m.b.H.	
w Hasenbichler Com AG___$	5505.00
w Hasenbichler Com Inc___$	123.36
w Hasenbichler Div___$	106.58
w AFFT___$	1430.00
HEPTAGON FUND NV (5999-615555)	
f Heptagon QLB Fund___$	105.40
m Heptagon CMO Fund___$	109.65
HERMES ASSET MANAGEMENT LTD	
Bermuda: (809)295 4000, Lux: (352)404 64 61	
Estimated Prices / Bond — Final	
m Hermes European Fund___Ecu	357.96
m Hermes North American Fd___$	311.36
m Hermes Asian Fund___$	398.02
m Hermes Emerg Mkts Fund___$	127.12
m Hermes Strategies Fund___$	792.75
m Hermes Neutral Fund___$	117.51
m Hermes Global Fund___$	687.88
m Hermes Bond Fund___Ecu	1312.18
m Hermes Sterling Fd___$	113.64
m Hermes Gold Fund___$	438.17
INCOME PARTNERS (ASIA) LIMITED	
w Asian Fixed Income Fd___$	10.202
INTERNATIONAL ASSETS FUND	
2, Bd Royal, L-2449 Luxembourg	
w Europe Sud E___Ecu	105.37
INTERNATIONAL MGMT INCOME FUND	
w Treasury Compartment Fd___ITL	101195
INVESCO INT'L LTD, POB 271, Jersey	
Tel: 44 534 73114	
d Maximum Income Fund___£	1.1100
d Sterling Mngd Ptfl___£	2.3340
d Pioneer Markets___£	7.0770
d Okasan Global Strategy___$	17.5200
d Asia Super Growth___$	26.7400
d Nippon Warrant Fund___$	2.4400
d Asia Tiger Warrant___$	6.2090
d European Warrant Fund___$	3.9600
d Gtd N.W. 1994___$	9.5900

DEUTSCHE MARK PORTFOLIO	
d Category A___DM	13.71
d Category B___DM	13.36
EUROPEAN BOND PORTFOLIO (DM)	
d Class A-1___$	16.16
d Class A-2___$	17.25
d Class B-1___$	16.16
d Class B-2___$	17.13
EUROPEAN BOND PORTFOLIO (US$)	
d Class A-1___DM	10.35
d Class A-2___DM	10.95
d Class B-1___$	10.35
d Class B-2___$	10.90
POUND STERLING PORTFOLIO	
d Category A___£	17.19
d Category B___£	16.85
US DOLLAR PORTFOLIO	
d Category A___$	14.24
d Category B___$	13.89
YEN PORTFOLIO	
d Category A___Y	1326
d Category B___Y	1299
MULTI CURRENCY BOND PTFL	
d Class A___$	23.32
d Class B___$	22.82
US FEDERAL SECURITIES PTFL	
d Class A___$	5.92
d Class B___$	10.45
MERRILL LYNCH	
EQUITY / CONVERTIBLE SERIES	
BASIC VALUE PORTFOLIO	
d Class A___$	14.82
d Class B___$	14.23
CONVERTIBLE SECURITIES PTFL	
d Class A___$	14.65
d Class B___$	14.28
GLOBAL ALLOCATION PTFL (US$)	
d Class A___$	10.67
d Class B___$	10.62

d RG Divirente Fund___Fl	55.20
d RG Money Plus F Fl___Fl	112.24
d RG Money Plus F $___$	103.25
d RG Money Plus F DM___DM	110.44
d RG Money Plus F SF___SF	105.74
More Robeco see Amsterdam Stocks	
ROTHSCHILD (GROUP EDMOND DE)	
IN-HOUSE FUNDS	
w Asian Capital Holdings Fd___$	67.02
w Daiwa LCF Rothschild Bd___$	1012.49
w Daiwa LCF Rothsch Eq___$	1196.41
w Force Cash Tradition CHF___SF	10272.26
w Leicom___$	2067.94
w Leveraged Cap Holdings___$	66.19
b Pri Challenge Swiss Fd___SF	1283.79
b Priequity Fd-Europe___Ecu	123.988
b Priequity Fd-Helvetia___SF	122.518
b Priequity Fd-Latin Am___$	153.943
b Pribond Fund Ecu___Ecu	128.484
b Pribond Fund USD___$	115.847
b Pribond Fd HY Emer Mkts___$	1W.744
w Selective Invest SA___$	377.460
b Source___$	20.01300
w US Bond Plus___$	1034.679
w Varioplus___Ecu	1280.84
ROTHSCHILD (GROUP EDMOND DE)	
OTHER FUNDS	
d Asia/Japan Emerg. Growth___$	18.31880
w Esprit Eur Partn Inv Tst___Ecu	1534.18
w Europ Strateg Investm Fd___Ecu	106.500
b Integral Futures___$	1084.74
a Optigest Global Fd General DM	198.699
b Optigest Global Fix Income DM	173.643
d Pacific Nies Fund___$	9.85
w Permal drakkar Growth NV___$	3887.04
f Selection Horizon___FF	81068.61
b Victoire Ariane___$	5147.80
ROTHSCHILD ASSET MGMT (C.I.) LTD	

w Japan___Y	121338
w Amerique du Nord___$	1627.97
w Sud-Est Asiatique___$	1941.98
BUCHANAN FUND LIMITED	
c/o Bank of Bermuda Ltd: (809) 295-4000	
f Global Hedge USD___$	14.14
f Global Hedge GBP___£	14.74
f European & Atlantic___$	14.10
f Pacific___$	13.98
f Emerging Markets___$	25.13
CAISSE CENTRALE DES BANQUES POP.	
d Fructilux - Obl. Fses A___FF	8630.12
d Fructilux - Obl. Euro B___Ecu	1590.87
w Fructilux - Actions Fses C___FF	10146.16

EQUIFLEX LIMITED	
w Class C / North America___Fl	15.64
ERMITAGE LUX (352-4073 38)	
w Ermitage Selz Fund___$	71.94
w Ermitage Asian Hedge Fd___$	13.45
w Ermitage Euro Hedge Fd___DM	15.13
w Ermitage Crosby Asia Fd___$	22.28
w Ermitage Amer Hdg Fd___$	10.17
w Ermitage Emer Mkts Fd___$	16.61
EUROPA FUNDS LIMITED	
d American Equity Fund___$	267.29
d American Option Fund___$	213.08
w Asian Equity Fd___$	148.01
w European Equity Fd___$	126.84

d Global Bond___$	37.03
d Global High Income Bond___$	24.65
d GIN & £ Bond___£	12.17
d Euro High Inc. Bond___£	24.80
d Global Equity___$	95.61
d American Blue Chip___$	28.89
d Japan und Pacific___$	139.36
d UK___£	28.80
d European___$	114.11
GUINNESS FLIGHT INT'L ACCUM FD	
d Deutschemark Money___DM	87.783
d US Dollar Money___$	32.12e
d US Dollar High Yd Bond___$	28.14
d Int'l Balanced Grth___$	37.49

MERRILL LYNCH	
GLOBAL CURRENCY BOND SERIES	
AUSTRALIAN DOLLAR PORTFOLIO	
d Category A___A$	19.54
d Category B___A$	19.29
CANADIAN DOLLAR PORTFOLIO	
d Category A___C$	15.28
d Category B___C$	14.96
CORPORATE HIGH INCOME PTFL	
d Class A-1___$	10.29
d Class A-2___$	10.50
d Class B-1___$	10.29
d Class B-2___$	10.48

w Undervalued Assets Ser I___$	11.55
d Regent Sri Lanka Fd___$	11.73
m Regent Pacific Hdg Fd___$	111.6177
ROBECO GROUP	
POB 973,3000 AZ Rotterdam.(31)10 2241224	
d RG America Fund___Fl	157.40
d RG Europe Fund___Fl	139.50
d RG Pacific Fund___Fl	156.10

d Universal Fund___SF	128.16
d Yen Bond Selection___Y	11891.00
TEMPLETON W.WIDE INVESTMENTS	
GROWTH PORTFOLIO	
d Class A-1___$	14.63
d Class A-2___$	18.08
d Class A-3___$	16.44
d Class B-1___$	14.19

w D.G.C.___$	338.40
d Daiwa Japan Fund___Y	6841
d DBCC / Nafta Bond Fund___$	11326.97
w Derivative Asset Alloc___$	1399.45
d Dreyfus America Fund___$	22.90
w Ess Overseas Fund Ltd___$	105.16
f DVT Performance Fd___$	1017.00
m Elite World Fund Ltd___SF	10885.95
d Emi Belg. Ind. Plus A___BF	11381.80

For investment information

Read THE MONEY REPORT every Saturday in the IHT

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$- Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; ' - Ex-Dividend; '' - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; ‡ - Paris exchange; ++ Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

هكذا من الأصل

As Toyota Profit Hits Low, Some See a Rebound

Bloomberg Business News

TOKYO — Toyota Motor Corp. said Tuesday its first-half operating profit sank to a record low amid a prolonged economic slump in Japan and falling exports.

Japan's largest carmaker, and the world's third-biggest, said its operating profit plunged 84 percent, to 9.335 billion yen ($86 million), in the six months ended Dec. 31.

It was Toyota's fourth consecutive year of falling first-half profit. Previously, its smallest operating profit for the first half of its financial year was 14.5 billion yen in 1982, the year it was formed by the merger of Toyota Motor Co. and Toyota Motor Sales Co.

Toyota's poor performance reflects the difficulties facing all Japanese carmakers, which include the country's long recession and falling sales of Japanese cars overseas. In addition, Japanese vehicle sales and production were down last year for the third consecutive year.

Many analysts, however, have predicted the Japanese market would do better this year, helped by a 6 trillion yen tax cut unveiled by Prime Minister Morihiro Hosokawa Tuesday and a possible reduction in the consumption tax on passenger cars.

Steve Usher, an analyst at Kleinwort Benson International Inc., said he expected Japan's domestic vehicle sales to edge 1.5 percent higher in 1994 and said he rated Toyota's stock a "buy."

Toyota said the surge in the yen's value against the dollar had cut its operating income by 100 billion yen in the first half. In the United States, Toyota dealers have raised prices on 1994 models by about 6.2 percent, mostly because of the yen's rise against the dollar over the past year and a half.

"The main reason behind the hard time we are having selling cars in the U.S. is the higher yen," Ryuji Araki, a Toyota director, said.

Toyota's exports fell 21 percent, to 678,778 units, largely because of a decline in exports to North America and Europe, the company said. Toyota sold 1,002,000 vehicles in Japan, a decline of 9 percent from the year-earlier period.

Toyota's recurring, or pretax profit, plummeted 49 percent, to 83.24 billion yen. Net income fell 46 percent, to 39.44 billion yen.

Oil Rush in China's West

Reuters

BEIJING — China on Tuesday signed a contract with five foreign oil companies to explore a vast block in its far western desert.

In the Great Hall of the People, the China National Petroleum Co. signed the contract with a consortium led by Agip SpA of Italy. It was the second such contract for the Tarim basin in Xinjiang, on the border with Russia and Kazakhstan.

The other members of the consortium are Elf Hydrocarbures Chine of France, Japan Petroleum Exploration Co., Japan Energy Co. and Texaco China, part of Texaco Inc. Each of the five holds a 20 percent interest in the contract area.

The 9,814-square-kilometer (3,790-square-mile) block is in the south of Xinjiang and one of five offered by Beijing for foreign exploration. In December, Exxon Corp. and Japan-Indonesia Petroleum Corp. signed a contract to explore one of the other blocks.

Chinese officials said Tarim could boast oil reserves approaching 20.5 billion metric tons (143 billion barrels). That is roughly equivalent to the amount of oil produced to date in the North Sea.

"The chances of a commercial discovery in this block are, on a world scale, good," William Doyle, president of Texaco Middle East/Far East, said. He said production could start in 1998.

Under the contract, the consortium will pay for seismic surveys and drill wells in the first exploration phase, with production starting after discovery of a commercial field and construction of an oil or gas pipeline to the area.

On discovery of a commercial field, CNPC has the right to participate in developing the block up to 51 percent.

Mr. Doyle said that, with successful finds, the investment by the five firms could be substantially more than $1 billion.

The desert area is one of the most inhospitable on earth, with scorching heat in the summer and freezing cold in the winter. China is building a road from Korla, the railhead, to the center of the Tarim basin, where oil has been found.

This year, China will become a net oil importer after 20 years as an exporter, as domestic demand surges. Domestic output this year will be 148 million tons, up about 2 percent from 1993, while demand is rising about 8 percent a year.

With world oil prices at their lowest for five years, Beijing has decided to increase imports of crude this year and process more in its own refineries.

Mr. Doyle said the terms of contracts are better than could have been obtained five years ago, because of the fall in oil prices over the period and the remoteness and difficulty of exploring in places like Tarim.

Asian Stocks Recover Part Of Steep Loss

Compiled by Our Staff From Dispatches

HONG KONG — Major Asian stock markets were calm Tuesday, stabilizing after sliding on Monday. The continent's bourses were following the lead of Wall Street, where the Dow Jones industrials plunged Friday but recouped part of the loss on Monday.

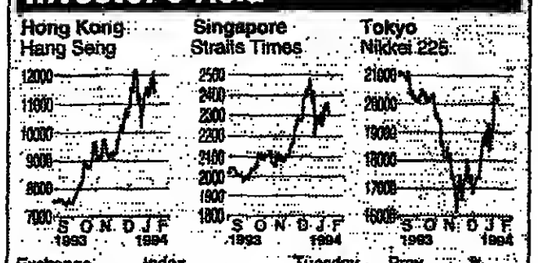
After stock trading had ended, the Asian component of the International Herald Tribune World Stock Index stood 0.55 percent higher, at 129.65.

The Hang Seng index in Hong Kong rose 39.89 points, or 0.35 percent, to 11,454.16. Bargain-hunters opted for bank and real estate issues, according to James Vinall of SBCI Finance Asia.

In Tokyo, a compromise by members of the government coalition over tax reform pushed stock prices higher, with the Nikkei index rising 236.83 points, to 20,251.23.

(Reuters, Bloomberg)

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,454.16	11,414.26	+0.35
Singapore	Straits Times	2,321.64	2,314.45	+0.31
Sydney	All Ordinaries	2,305.40	2,281.10	+1.07
Tokyo	Nikkei 225	20,251.23	20,014.40	+1.18
Kuala Lumpur	Composite	1,108.72	1,094.02	+1.34
Bangkok	SET	1,365.73	1,344.81	+1.56
Seoul	Composite Stock	923.00	914.88	+0.89
Taipei	Weighted Price	Closed	Closed	
Manila	Composite	2,952.85	2,890.94	+2.14
Jakarta	Stock Index	594.12	N.A.	
New Zealand	NZSE-40	2,373.69	2,366.50	+0.35
Bombay	National Index	1,988.90	1,982.11	+0.34

Sources: Reuters, AFP International Herald Tribune

ANA to Cut 1,500 Jobs by 1996

Reuters

TOKYO — All Nippon Airways Co. said on Tuesday that it was taking drastic cost-cutting steps, including the elimination of 1,500 jobs, in an effort to raise its operating profit by 30 billion yen ($277 million) by 1996.

ANA will cut its work force from to 12,500 from 14,000 by the end of March 1996, an ANA spokesman said. Labor now accounts for 20 percent of total costs, he noted.

The cuts will be through a freeze on most recruitment and by using more contract employees as cabin attendants, he said.

Further cost-cutting will be achieved through enhanced ties with its group companies and greater cooperation with other carriers.

The restructuring plan also features a joint aircraft maintenance deal with the rival Japan Air Lines. ANA and JAL expect their cooperation to save 8 billion to 9 billion yen over five years from April 1.

"The global slump in demand for air travel, continued recession at home and increased competition have left ANA facing the toughest challenge since its foundation," said the president, Seiji Fukatsu.

Established in 1952, ANA has Japan's largest domestic flight network. JAL, with the largest international network of any Japanese carrier, in January announced cuts in jobs and capital spending.

ANA posted a parent operating profit of 18.07 billion yen ($167 million) in the year to March 31, 1993, but the carrier projected poorer results in the current year.

The restructuring plan is expected to push up ANA's parent operating profit in the business year to March 31, 1996, by 30 billion yen if business conditions do not grow worse, the ANA spokesman said.

Very briefly:

• **Telecom Corp. of New Zealand** announced record third-quarter net earnings of 134.6 million New Zealand dollars ($77 million), up 9 percent from a year earlier. The former state-owned concern now has as its major shareholder a consortium including the American telecommunications companies **Ameritech Corp.** and **Bell Atlantic Corp.**

• **Singapore Telecommunications Pte.** said it had paid $78 million for a 17 percent stake in **American Mobile Satellite Corp.**, a U.S. company that will build mobile satellite-communications systems to transmit voice, data and facsimile signals throughout the United States.

• **Commonwealth Bank of Australia**, the country's fourth-largest bank, said it had a 32 percent jump in half-year profit, to 312.4 million Australian dollars ($223 million), because of lower bad debt provisions and a recovering property market.

• **Matsushita-Kotobuki Electronics Industries Ltd.** of Japan said it would invest more than 41 million Singapore dollars ($26 million) to set up a disk-drive production plant in Singapore and sell its output to **Quantum Corp.** of the United States.

• **Ekran Bhd.** of Malaysia plans to invest $100 million in developing a casino, duty-free shops and a resort on Samal island in the Philippines, the national news agency Bernama said.

• **Fujitsu Ltd.** will report an unconsolidated pretax profit of 25 billion yen ($229 million) for the year ending March 31, reversing an 8.7 billion-yen loss in the previous year, the economic newspaper Nihon Keizai said.

• **Sanwa Tatemono Co.**, a Tokyo real estate developer, has filed for court protection, listing liabilities of about 124.3 billion yen, a private credit research agency reported.

Reuters, AFP, Bloomberg

CITIC Buys Into HKR In $440 Million Deal

Reuters

HONG KONG — CITIC Pacific Ltd., the Chinese-controlled investment company, is buying 50 percent of Hong Kong Resort Co. from HKR International for 3.4 billion Hong Kong dollars ($440 million).

The deal gives CITIC Pacific a half interest in a large housing development near Hong Kong's new airport.

In one of the biggest recent incursions by China into Hong Kong's property market, CITIC will buy part of HKR International's Discovery Bay residential development on Lantau Island.

The island abuts the colony's new airport project, for which financing has been a major irritant between China and Britain. Britain is to return Hong Kong to China in 1997, and Beijing has balked at the possibility of inheriting a large chunk of debt from the world's largest public works project.

But the willingness of CITIC Pacific, a unit of the Chinese government's China International Trust & Investment Corp., to take a stake in land that is likely to soar in value if the airport is completed suggests a shift in Chinese government sentiment.

CITIC "may have some positive implications in terms of the airport," said a residential property analyst at Baring Securities. "That is, the government may approve some infrastructure developments such as a tunnel linking Discovery Bay to the airport."

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Canada

Inco

4th Quar.	1993	1992
Revenue	522.90	611.90
Net Loss	38.20	28.90
Year	1993	1992
Revenue	2,131.	2,659.
Profit	28.20	(a)17.60
Per Share	0.22	—

a: Loss. Results in U.S. dollars.

Petro-Canada

4th Quar.	1993	1992
Revenue	1,155.	1,280.
Profit	36.00	27.00
Per Share	0.15	0.12
Year	1993	1992
Revenue	4,603.	4,716.
Profit	142.00	9.20
Per Share	0.66	0.04

United States

AlliedSignal

4th Quar.	1993	1992
Revenue	3,059.	3,052.
Net Inc.	128.00	138.00
Per Share	1.25	0.98
Year	1993	1992
Revenue	11,837.	12,042.
Net Inc.	411.00	(a)172.0
Per Share	2.98	—

a: Loss.

Allstate

4th Quar.	1993	1992
Revenue	6,283.	6,141.
Net Inc.	259.00	(a)138.9
Per Share	0.57	—

Year	1992	1992
Revenue	20,946.	20,228.
Net Inc.	1,202.	(a)825.2
Per Share	2.99	—

a: Loss. 1992 nets include charge of $325.6 million.

Arvin Industries

4th Quar.	1993	1992
Revenue	468.66	455.09
Net Inc.	10.30	9.40
Per Share	0.46	0.43
Year	1993	1993
Revenue	1,939.	1,890.
Net Inc.	40.34	6.38
Per Share	1.81	1.78

Brunswick

4th Quar.	1993	1992
Revenue	535.60	464.90
Oper Net	7.80	(a)11.90
Oper Share	0.07	—
Year	1993	1993
Revenue	2,207.	2,059.
Oper Net	54.50	39.70
Oper Share	0.57	0.43

a: Loss. Nets exclude losses of $222.7 million vs. $34 million. 1992 quarter net also excludes loss of $1 million.

CPC Int'l

4th Quar.	1993	1992
Revenue	1,748.	1,791.
Net Inc.	125.14	70.80
Per Share	0.82	0.46
Year	1993	1992
Revenue	6,738.	6,695.
Net Inc.	454.47	222.27
Per Share	2.95	1.41

1992 nets include charge of $140 million and loss of $46.8 million.

Dole Food

4th Quar.	1993	1992
Revenue	794.59	763.58
Net Loss	20.13	22.86

Year	1993	1992
Revenue	3,431.	3,375.
Net Inc.	77.90	15.72
Per Share	1.30	0.26

1992 year net includes charge of $49.49 million.

Mapco

4th Quar.	1993	1992
Revenue	694.70	739.10
Net Inc.	34.90	12.00
Per Share	1.17	0.40
Year	1993	1992
Revenue	2,715.	2,702.
Net Inc.	127.00	100.70
Per Share	4.24	3.37

Pacific Enterprises

4th Quar.	1993	1992
Revenue	825.00	875.00
Net Inc.	44.00	(a)15.00
Per Share	0.52	—
Year	1993	1992
Revenue	2,899.	2,900.
Net Inc.	166.00	(a)566.0
Per Share	2.06	—

a: Loss.

Rubbermaid

4th Quar.	1993	1992
Revenue	472.86	434.36
Net Inc.	50.84	44.06
Per Share	0.32	0.28
Year	1993	1992
Revenue	1,960.	1,805.
Net Inc.	211.41	164.10
Per Share	1.32	1.02

Sears, Roebuck

4th Quar.	1993	1992
Revenue	14,664.	15,021.
Net Inc.	544.60	(a)11,910.
Per Share	1.39	—
Year	1993	1992
Revenue	50,838.	52,345.
Net Inc.	2,409.	(a)12,567.
Per Share	6.13	—

a: Loss.

NEC's Kaneko Is Named President

Bloomberg Business News

TOKYO — NEC Corp. on Tuesday named Hisashi Kaneko, an executive vice president, as the company's new president, replacing Tadahiro Sekimoto.

Mr. Kaneko, 60, was president of NEC America from 1989 to 1991. He holds a master of science degree from the University of California at Berkeley.

WORLD BALANCED FUND

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Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of WORLD BALANCED FUND will be held at the company's registered office, 2, boulevard Royal, L-2953 Luxembourg, on February 18, 1994 at 11.00 a. m. with the following agenda:

1. Submission of the Report of the Board of Directors and of the Auditor;
2. Approval of the Statement of Net Assets at November 30, 1993 and of the Statement of Operations for the year ended as at November 30, 1993;
3. Allocation of the net results;
4. Discharge to the Directors;
5. Statutory Appointments;
6. Miscellaneous.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

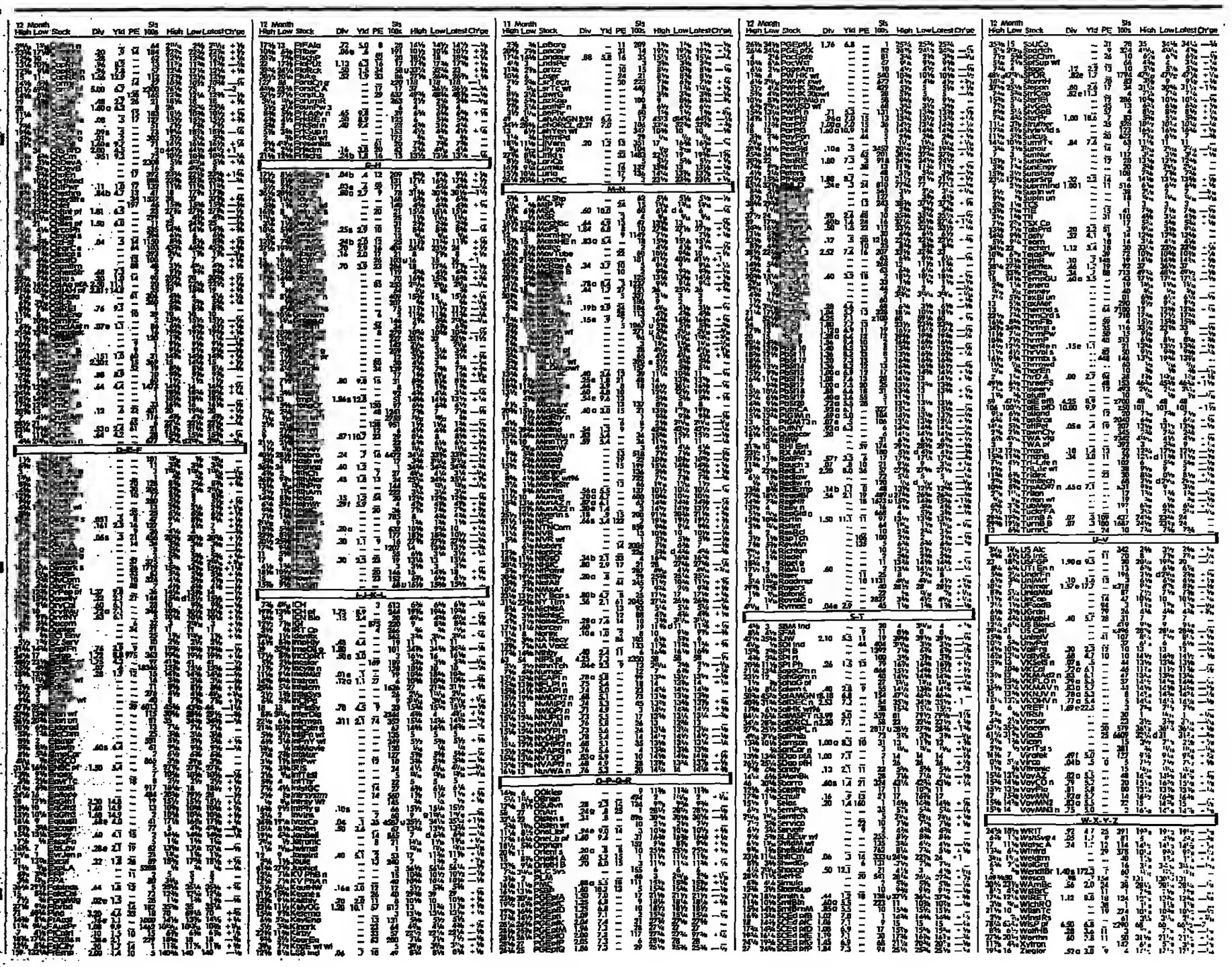
In order to attend the Annual General Meeting, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

The Board of Directors

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

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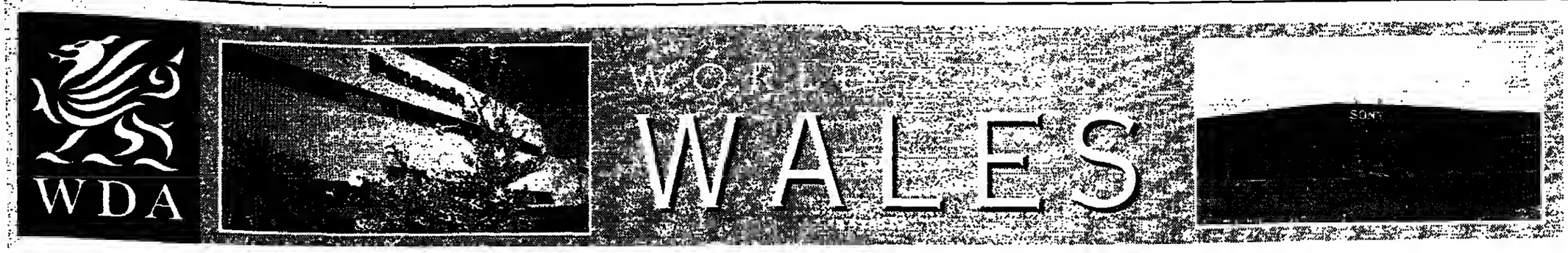


EUROPE'S BEST-KEPT SECRET

Wales is probably the best-kept investment secret in Europe. Located on the western side of Britain, Wales in the past 10 years has attracted investments worth more than $7.5 billion, involving more than 120,000 jobs.

Altogether, some 1,200 new or expansion projects in Wales have been announced since April 1983.

Over the same period, Wales has consistently received about 20 percent of all capital investment in Britain. In the past few years, investments valued at more than $1.5 billion have been made by seven companies alone – Sony, Robert Bosch, Toyota, British Airways, Hamilton Oil, Ford and Dow Corning. Other blue-chip names that have invested in Wales include Aiwa, Hawker Siddeley, Lucas, Matsushita, Brother, Valeo, Kimberly-Clark, Kloeckner Pentapak and l'Oreal.

David Rowe-Beddoe, chairman, Welsh Development Agency.

Once the greatest coal-mining region of Britain, Wales was full of the traditional smokestack industries, iron and steel making. At the peak of the coal era, about 120,000 people worked in the mines and steelworks. Today, that figure has dropped to under 20,000, or less than half the number of employees in Japanese-owned companies.

Wales' success in attracting major Japanese investment projects has been achieved in the face of stiff international competition. Wales now has one of the highest concentrations of Japanese investment in Europe. This investment has contributed significantly to the country's successful transformation into a diversified and modern industrial economy.

One of the powers behind the investment strategy is the Welsh Development Agency, whose various functions include not only direct inward investment, but also bilateral matchmaking between Welsh companies and prospective overseas partners, outward investment by Welsh-based companies, and a substantial real-estate and land-reclamation program.

"The development of a strong indigenous manufacturing and service economy is, of course, the key long-term strategic aim of the WDA," says its new chairman, Welsh-born David Rowe-Beddoe. He says that it is vital for the WDA to maintain the momentum on inward investment but warns that the traditional markets of North America and Japan could start to slow down; up to now, the United States, Germany and Japan have been the major overseas investors in Wales.

"We are widening our search for investors to new markets such as Singapore, Korea, Hong Kong, Australia and South Africa," says Mr. Rowe-Beddoe. He also points out that there are possible changes in investment patterns, with a concentration of smaller and less labor-intensive projects.

The WDA created the European Business Group, whose mission is to help small to medium-sized businesses in Wales to expand into the rest of Europe. "We are trying to help those companies that lack a certain self-confidence about going it alone into Europe," says Clive Vokes, director of the EBG. Already, EBG has forged links with four of the most powerful economic "motors" of Europe. These are Baden-Württemberg (Germany), Lombardy (Italy), Rhône-Alpes (France) and Catalonia (Spain). Last year, this "Eurolink" program resulted in 66 partnership projects with Welsh companies.

Mr. Vokes is now trying to exploit European Union programs, and the WDA – in concert with other Welsh organizations – has established the Wales European Center in Brussels. "We think there are big opportunities for us there to tap into EU aid programs – trade with aid," says Mr. Vokes.

An equally proactive approach is being taken by the agency's inward-investment division, which has set up a string of offices in the Far East, from Tokyo to Seoul. "Our challenge is to try to raise the quality of the inward investor, to improve our local skill base and thus increase wages, which will help boost the Welsh economy," says the WDA's Peter Price.

The approach already appears to be working, according to Brian Morgan, the WDA's director of economic strategy. The forecast for the gross domestic product this year looks good: GDP growth is estimated at 2.6 percent, with growth in manufacturing content expected to be 3.4 percent. By comparison, total GDP for Britain is forecast at 2.4 percent. While other parts of Britain may be slumbering, Wales is awake and working for the future. In a world class of its own, Wales is waiting to be discovered by yet more investors.

In the first nine months of last year, 34 projects involving 10,000 jobs were secured.

WALES AT A GLANCE

(comparison with the rest of Britain)

Wales	% of Britain
POPULATION: 2.8 million	5.2*
AREA: 2.1 million hectares (5 million acres)	8.6
GDP: 21.3 billion pounds ($32 billion)	4.3
WORK FORCE: 1.32 million	4.7
Employees: 937,000	4.4
Self-employed: 168,000	5.2
Unemployed: 127,900	4.5
AVERAGE WEEKLY EARNINGS:	
Men: 308.30 pounds	87.2*
Women: 231.60 pounds	91.6*

Source: Welsh Development Agency, December, 1993.
**Excludes Northern Ireland*

JAPANESE IN WALES

The first Japanese company to set up in Wales was Takiron, which opened a factory near Caerphilly, in 1972 to make pvc sheeting. Today, there are 45 Japanese companies in Wales that employ more than 12,000 persons.

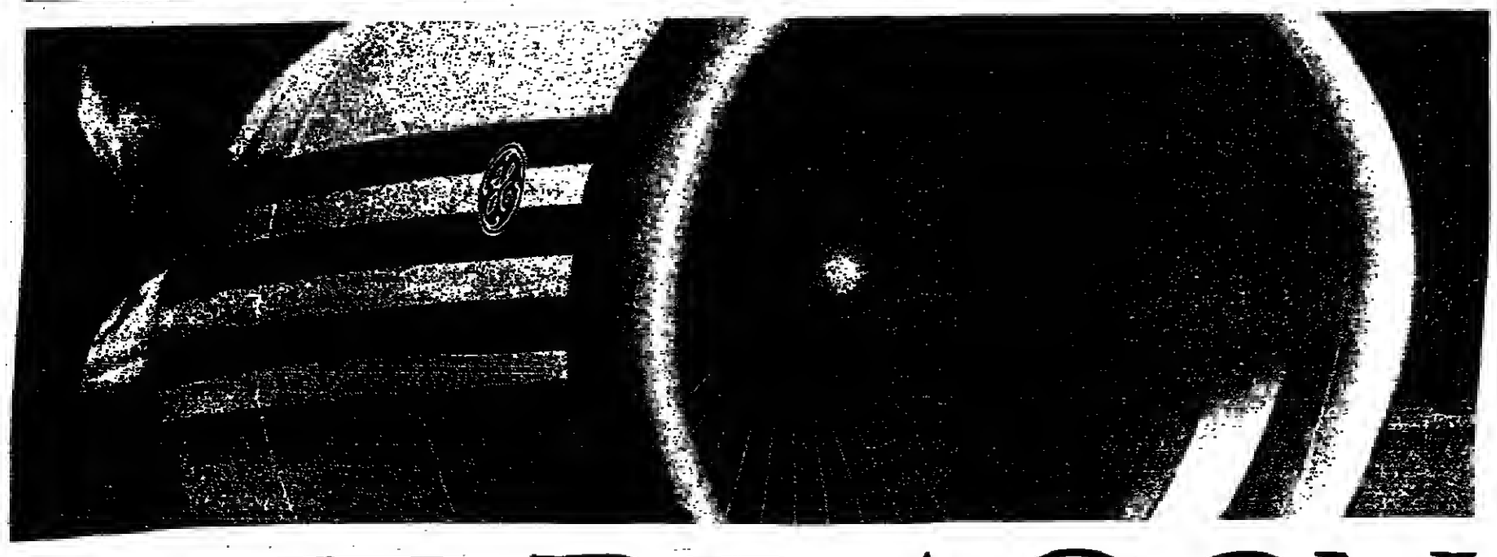
The two biggest Japanese companies in Wales are Sony, which produces television sets for export to Europe and has been in Wales for 18 years, and the Matsushita Electronics Group. Together they employ about 5,000 persons. Sony recently completed its seventh major investment in Wales – a new $200 million television factory near Bridgend. The company has increased production to 1.5 million television sets a year, 75 percent of which are exported to Europe. Sony now does all its design and development work for the European market from its Welsh plants. Its latest factory forms part of its new technology center, which occupies a 162-acre (66-hectare) site.

According to a study by the Cardiff Business School, local Japanese enterprise has played an important role in developing cultural and educational links between the two countries. There have also been substantial social ties through football, softball, cricket and squash matches.

In 1989, a "Japanese in Schools" program was introduced; in the same year, the Japanese Studies Center was opened at the University of Wales College in Cardiff. At the secondary level, several Welsh schools have been twinned with Japanese schools.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Michael Frenchman, a London-based free-lance writer. The next issue on Wales will be published on Feb. 16, 1994.

TWO GIANTS.



ONE DRAGON.

These days the Welsh Dragon is a real high flyer since two international giants of the aero engineering industry chose Wales.

British Airways has its new engineering base at Cardiff Airport and recently General Electric (USA) has moved to nearby Nantgarw, where they service aircraft engines for famous names like CFMI, Rolls Royce and Pratt & Whitney.

With more than a little help from the Welsh Development Agency, both companies were not merely able to find the right site, but also the right people from Wales' skilled and flexible workforce.

The WDA has also assisted in the development of a local supplier infrastructure to ensure vital components are always at hand.

To get your business off the ground, put the Welsh Advantage to your advantage. Call the team at Welsh Development International on +44 222 666862, or write to Welsh Development International, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.

THE WELSH ADVANTAGE.

SPORTS

3-Point Record Lifts the 76ers

The Associated Press

Tim Perry made more 3-pointers in one night than he did in his first four seasons in the National Basketball Association.

Perry made a career-high seven 3-pointers and scored 31 points on Monday night, leading the Philadelphia 76ers past Charlotte, 125-117, and sending the Hornets to their seventh straight defeat.

Perry, a 6-foot-9 forward sent from Phoenix to Philadelphia in the trade for Charles Barkley, was 5-for-18 on 3-pointers from the 1988-89 through 1991-92 seasons.

On Monday, he saw that the Hornets were leaving him unguarded outside the 3-point line.

Perry, who has a perfect rotation and high arc on his jumper, sent up 15 3-point attempts. His teammates took 15 others, setting the team record with 30 and coming up one shy of the NBA record for attempts set by Sacramento in 1989.

Perry's final 3-pointer wrapped up the victory.

Philadelphia led, 120-113, but Muggsy Bogues hit two free throws and David Wingate followed with a layup with 26 seconds to go to make it 120-117. Eight seconds later, Perry hit his last 3-pointer.

Hawks 141, Pistons 97: In Atlanta, the Hawks scored their most lopsided victory since they moved from St. Louis after the 1967-68 season.

Atlanta shot a season-high 64 percent in breaking its previous margin-of-victory mark of 42 points. Stacey Augmon scored 26 points to lead six Hawks players in double figures.

Heat 96, Knicks 85: In Miami, the Knicks ran out of energy in the second half.

New York opened up a 17-point lead in the first half but scored only 12 points in the third quarter and 21 in the fourth. Patrick Ewing had an especially poor night, making just 6 of 23 shots from the field.

Steve Smith led Miami with 25 points, and Glen Rice and Rony Seikaly each added 22.

NBA HIGHLIGHTS

Hall of Fame For Daly, Crum

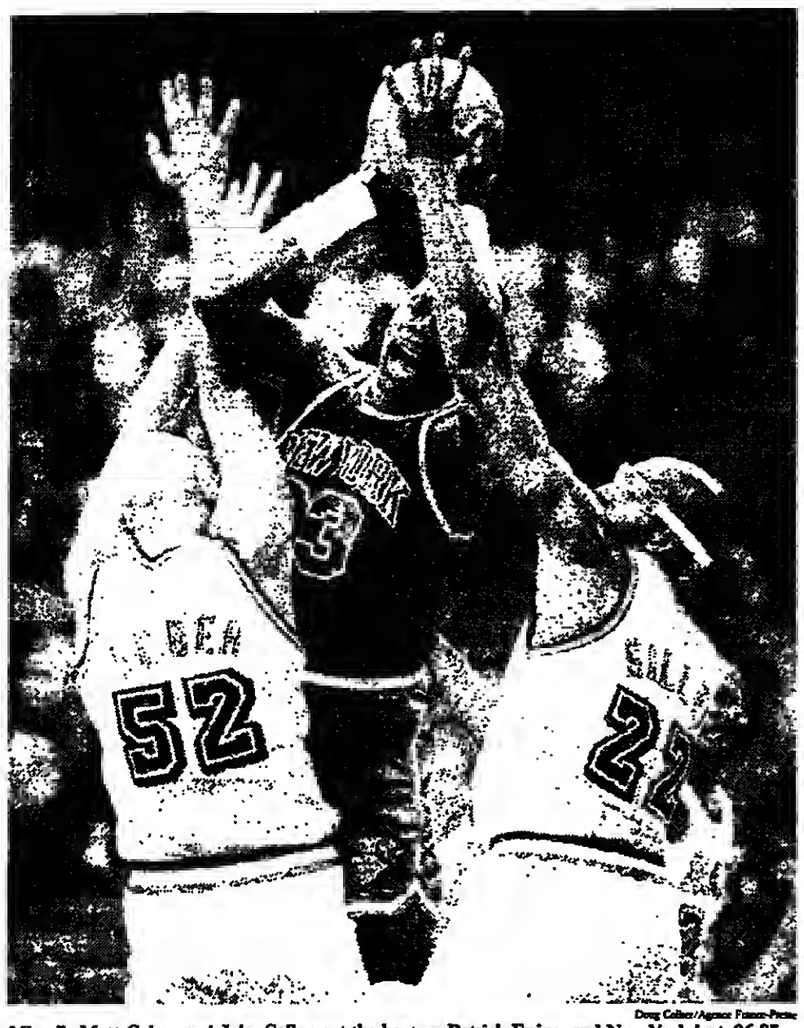
The Associated Press

SPRINGFIELD, Massachusetts — Chuck Daly, coach of the NBA's New Jersey Nets, Denny Crum, Louisville's coach, and the Italian coach Cesare Rubini were elected to the Basketball Hall of Fame on Tuesday.

Elected as players were Carol Blazejowski, the shooting star of the women's game in the 1970s, and Harry (Buddy) Jeannette, a standout backcourt player in the 1930s and 1940s.

They will be enshrined on May 9.

Daly's coaching career began in 1955. In 1983, he took over the Detroit Pistons, which had never had back-to-back winning seasons, and led them to NBA championships in 1989 and 1990.



Doug Collier/Agence France-Presse

Miami's Matt Geiger and John Salley put the heat on Patrick Ewing, and New York lost, 96-85.

Price of Soccer's Principles

International Herald Tribune

Rob Hughes

LONDON — What price principles in the modern world of sport and commerce?

Principle 1: Soccer success can only be earned on the field.

That used to be the essence of the game. But there are entrepreneurs who meet regularly trying to bypass the necessity to win matches.

They, the profit-seekers, are the putative founders of a European Super League that, if only ever they agree among themselves, will form an elite of rich clubs skimming off sponsorships and television rights.

Their would-be leader, AC Milan's proprietor, Silvio Berlusconi, dismisses the risk element in cup-tie soccer as "not modern thinking."

Berlusconi is now more in the running for Italy's political leadership than his Milan players are for silverware. AC Milan lost the World Club Cup to Brazil's São Paulo and was outplayed for the European Super Cup by Parma.

The defeats were good news for those who spied a hollow ring to Milan, the defeated European Champions' Cup finalist, standing in for the disgraced Olympique Marseille. But they were bad news for Berlusconi's ego and his dependent TV satellite company.

The subscribers to Berlusconi's super league diminished at least by one on Monday when Alex Fynn described it on BBC radio as a charter for greed and ambition that would destroy the game as we know it.

Fynn seems to change his tune the way a player changes his shirt. For he was the architect of Berlusconi's 1988 super-league plan.

"I got sidetracked by vanity," Fynn admitted on Monday. "I knew Berlusconi wanted a franchise system, so that's what I gave him.

"I'm glad UEFA turned it down, because I think its wrong having a system not on merit but by oligarchy."

Fynn went on to express his continuing presumption to offer a different format. He disparaged UEFA's latest formula — half way to the Berlusconi demands — as threatening soccer for short-term gains by elite clubs, sponsors and TV.

WELL, WELL. Either Fynn has seen new light (the glaringly obvious light to many with no vested interest) or he is a brave convert from the advertising agency man who once tried to sell a principle at the behest of a wealthy client.

A salesman Fynn remains. His Monday comments coincided with the launch of his book, "Out of Time: Why Football Isn't Working!" There, Fynn gives an insider's view of wheeler-dealing in soccer, mainly English soccer.

It is an intriguing, disturbing account of rake-offs by the game's paid guardians, and writ large is the warning of a sport devouring itself for the short-term television and sponsorship spoils.

Fynn now admits soccer was best served under the 40-year-old European home-and-away knock-out system. "But," he concludes, "We can't go back and rewrite history."

Why not? If history had it right, then for heaven's sake say it: Go back to basics.

Principle 2: "In the whole civilized world, the coach picks players, not the other way around."

Those words from Pavel Sadyrin came as a triumphant lesson to the 14 Russian players who had sought to remove him as their World Cup coach. The players, scattered around Europe, had signed an open letter last month to the Russian federation calling for the reinstatement of Anatoli Bishovets, who had been dropped as coach when the CIS broke up.

So far, the federation and the Sports Ministry have sided with Sadyrin. They gave the rebels an ultimatum: play the game or forget the World Cup perks.

And this week, after his alternative team thrashed Mexico, 4-1, in a friendly in the United States, Sadyrin said: "This is the group of players to whom I'll put my faith. There are enough first-class players in Russia."

I wonder. The principle of the coach as god, the players subservient, is relatively modern, and in my experience you need the co-operation of both.

Confrontation is poison in the locker room. One or two dissenters, whatever their talent, would have to compromise or go, but 14?

Their act was published in Moscow newspapers. The letter spelled out "a good club coach does not fit the standards of a national coach. All that has been achieved in the qualifying games was the result of work done by Bishovets in his time."

THERE WERE complaints of mismanagement beyond Sadyrin's control. Complaints about bonuses, or lack of them. Complaints about shivering conditions at a camp near Moscow where players slept in their overcoats because the heating was switched off.

In a land where food and warmth are hard to come by, these mutterings by players perceived as mercenaries in another world cut little ice. Sadyrin insisted the rebellion was the work of Bishovets. The federation backed him by calling up more than 40 squad players to a training session in Moscow, and when only 18 turned up, they formed the team Sadyrin took to America.

By no means all of those are Russian-based players, or even Russians. Some flew in from Spain, some from Germany, among them Oleg Salenko, the Logrones forward, who had signed the letter.

Sadyrin still insists that the players were duped by Bishovets, who had made them unauthorized promises relating to the million or so dollars Russia can expect to receive from the first World Cup round.

But his implication that the door will be closed on players who didn't turn up for the warmup is harsh. Some, involved in vital club tournaments, could not have been released if they had tried; others, such as Igor Dobrovolski and Andrei Kanchelskis, who foresook Ukrainian nationality, and Valeri Karpine, who is Estonian by birth, have given much to opt for Russia and a World Cup.

In addition, Sergei Kiriakov is a match-winning talent as well as a leading "dissident." Dmitri Kharine is a splendid goalkeeper, Alexandra Mostovoi and Igor Shalimov are proven creators, Vassili Kulkov a world-class defender.

There will be a Russian compromise somewhere en route to the World Cup. Otherwise, the second-best Russian team will attempt to win the Cup.

Rob Hughes is on the staff of The Times.

No. 1 Merry-Go-Round: Tar Heels on Top Again

The Associated Press

Another poll, another No. 1.

For the sixth consecutive week there was a different team atop the national rankings. But the latest No. 1 has already been there a few times this season.

North Carolina (19-3) moved up to the top spot Monday, switching places with Duke, which it beat last week in the first 1-2 matchup between the Atlantic Coast Conference rivals. The Tar Heels were the preseason No. 1 and also held it for the second week of the parade of the top-ranked teams.

Since Arkansas's five-week run at the top ended last month, North Carolina, Kansas, UCLA and Duke all had one-week stints as No. 1.

The chances of North Carolina's surviving back-to-back weeks appear good, with home games against Maryland and Georgia Tech this week, although Georgia Tech beat the Tar Heels earlier in the season.

The Tar Heels were a convincing No. 1, with 60 first-place votes and 1,617 points from the national media panel, while Duke (16-2) was on top of three ballots and had 1,486 points.

Arkansas, which had one first-place vote, and Kentucky each moved up three spots to third and fourth.

Kansas, the first team to win 20 games this season, dropped from third to fifth after losing to Missouri last week and was followed by Connecticut, Louisville, Temple — which had a first-place vote — UCLA and Purdue.

In games played Monday night:

Georgetown 60, Syracuse 56: After scoring 108 points last week in a victory over Connecticut, the Big East leader, Syracuse (15-4, 8-4 in the Big East) was limited to almost half that amount against Georgetown (13-6, 7-4) in Landover, Maryland.

"They played very good defense," said Syracuse's Lawrence Moten, who scored only 2 of his 13 points in the second half.

With 19 seconds left and trailing by one, Moten found himself wide open for a 15-foot jumper. But his shot rimmed out, and Georgetown's Othella Harrington pulled down the rebound, then made three free throws in the final 10 seconds to secure the victory.

No. 18 California 93, Cal State Northridge 63: Jason Kidd scored 24 points and Lamond Murray added 22 to help California (15-4) overwhelm visiting Cal State Northridge (4-15).

COLLEGE BASKETBALL

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE	W	L	Pct	GB
Atlantic Division				
New York	33	13	.717	—
Orlando	26	20	.565	7
Miami	23	22	.511	9½
New Jersey	21	23	.477	11
Boston	20	24	.435	13
Philadelphia	20	24	.435	13
Washington	15	30	.333	17½
Central Division				
Atlanta	33	12	.733	—
Chicago	25	13	.711	1
Cleveland	25	25	.511	10
Indiana	23	23	.469	11
Charlotte	22	24	.478	11½
Milwaukee	13	33	.283	20½
Detroit	10	36	.217	23½
WESTERN CONFERENCE Midwest Division	W	L	Pct	GB
Houston	25	11	.750	—
San Antonio	25	14	.702	1½
Utah	20	17	.638	4½
Denver	22	23	.489	11½
Minnesota	14	30	.318	19
Dallas	6	42	.087	30
Pacific Division				
Seattle	34	10	.773	—
Phoenix	30	14	.682	4
Portland	26	19	.578	8½
Golden State	25	20	.556	9½
L.A. Clippers	14	27	.372	17½
L.A. Lakers	14	28	.364	18
Sacramento	13	21	.235	21

MONDAY'S RESULTS

Charlotte	25	31	27	34—117
Philadelphia	45	30	21	29—125

C: E.Johnson 8-22 3-4 20, Bogues 9-11 4-6 24. Hawkins 8-13 14-14 31; P: Perry 11-27 2-3 31, Hornacek 13-20 8-8 36. Rebounds—Charlotte 49 (Wingate 13), Philadelphia 64 (Weatherspoon, Kidd 15). Assists—Charlotte 31 (Bogues 10), Philadelphia 36 (Weatherspoon 13).

Detroit	18	25	30	24— 97
Atlanta	25	25	36	44—141

D: Houston 10-25 2-3 22, Dumars 7-15 3-4 21; A: Augmon 7-8 12-14 26, Blaylock 7-13 2-2 18. Rebounds—Detroit 47 (Mills, Liberty 9), Atlanta 63 (Willis 11). Assists—Detroit 13 (Houston, Thomas 3), Atlanta 31 (Whatley 6).

Golden State	28	29	19	23— 99
Indiana	27	27	25	25—104

G: Webber 8-11 3-5 19, Sprewell 11-19 2-2 26; I: Smits 10-17 8-10 28, Miller 5-11 7-7 17. Rebounds—Golden State 46 (Webber 11), Indiana 50 (Smits 13). Assists—Golden State 22 (Webber 7), Indiana 23 (Fleming 6).

New York	34	18	12	21—85
Miami	28	21	25	22—96

NY: Ewing 6-23 4-4 16, Anthony 6-11 4-4 17; M: Rice 10-19 0-0 22, Seikaly 8-13 6-9 22, S.Smith 6-12 8-11 25. Rebounds—New York 51 (Ewing 14), Miami 47 (Seikaly 12). Assists—New York 20 (Starks 8), Miami 20 (Show 6).

Major College Scores

Georgetown 60, Syracuse 56
Penn 77, Buffalo 52
James Madison 89, William & Mary 85
N. Carolina St. 72, Tennessee 70, OT
Tennessee St. 79, Austin Peay 69
Tulane 104, SE Louisiana 67
Illinois St. 61, Tulsa 56
Oklahoma St. 86, Oklahoma 68
UNLV 68, Long Beach St. 61

The AP Top 25

The top 25 teams in the college basketball poll, first-place votes in parentheses, records through Feb. 6, total points based on 25 points for first-place vote through one point for 25th-place vote, and previous rankings:

	Record	Pts	Prv
1. North Carolina (60)	19-3	1,617	2
2. Duke (3)	16-2	1,486	1
3. Arkansas (1)	16-2	1,441	6
4. Kentucky	18-3	1,369	7
5. Kansas	23-3	1,270	3
6. Connecticut	19-2	1,259	5
7. Louisville	18-2	1,251	9
8. Temple (1)	16-2	1,205	10
9. UCLA	15-2	1,067	4
10. Purdue	18-3	987	8
11. Michigan	15-4	935	13
12. Indiana	14-4	933	14
13. Massachusetts	17-4	908	11
14. Syracuse	15-3	795	15
15. Missouri	16-2	695	20
16. Arizona	17-4	623	12
17. St. Louis	18-1	584	18
18. California	14-4	518	19
19. Ala.-Birmingham	17-3	469	17
20. Florida	16-3	436	24
21. Wisconsin	14-4	364	16
22. Marquette	15-5	268	—
23. Minnesota	15-7	111	22
24. Illinois	12-5	105	—
25. Xavier, Ohio	16-2	73	—

HOCKEY

NHL Standings

EASTERN CONFERENCE Atlantic Division	W	L	T	Pts	GF	GA
N.Y. Rangers	34	14	4	72	190	136
New Jersey	29	17	6	64	187	145
Florida	25	19	10	60	150	149
Washington	25	25	4	54	173	187
Philadelphia	24	26	2	51	187	198
Tampa Bay	20	28	4	46	179	162
N.Y. Islanders	19	26	6	44	173	179
Northeast Division						
Montreal	28	19	8	64	181	154
Pittsburgh	26	16	11	63	192	186
Boston	26	18	9	61	176	152
Buffalo	26	25	5	57	177	142
Quebec	21	27	5	47	174	185
Hartford	19	30	4	44	159	188
Ottawa	9	40	7	25	141	255
WESTERN CONFERENCE Central Division	W	L	T	Pts	GF	GA
Toronto	28	14	11	67	185	155
Detroit	30	17	5	65	231	179
Dallas	28	28	7	63	192	179
St. Louis	27	19	8	60	172	176
Chicago	25	21	6	56	154	147
Winnipeg	17	31	7	41	161	220
Pacific Division						
Calgary	27	19	9	63	203	173
Vancouver	26	25	2	54	179	175
San Jose	18	24	11	47	149	169
Anaheim	21	31	4	46	154	172
Los Angeles	19	27	6	44	195	207
Edmonton	13	25	8	38	173	202

MONDAY'S RESULTS

Montreal	1	1	2—4
Pittsburgh	0	1	0—1

First Period: M-Muller 13 (Schneider, Damphousse) (pp). Second Period: M-Schneider 11 (Damphousse, Muller) (pp); P-Mullen 25 (Tocchet, U. Samuelsson). Third Period: M-LeClair 10, M-Dionne 13 (Odelein, Muller). Shots on goal: M 11-9-13—33. P 15-15-9—39. Goalies—M, Roy. P, Wregget.

Washington	1	3	1—4
N.Y. Rangers	1	0	0—1

First Period: N.Y.-Messier 22 (sh). Second Period: W-Konowalchuk 6 (Peake, Ridley); W-Pivonka 9 (Sweeney, Kryskow); W-Hunter 4 (Anderson). Third Period: W-Bondra 20 (Kjrstedt, Cole). Shots on goal: W 13-16-11—38. N.Y. 16-4-4—24. Goalies—W, Tabaracci. N.Y., Richter, Healy.

Tampa Bay	1	1	0—2
Toronto	0	1	0—1

First Period: T-Berglund 5 (Berbenuk). Second Period: T-Fenchuk 3 (Rasko, DiMaio); T-Andrazyuk 42 (sh). Shots on goal: T 13-9-7—29. T 3-14-8—25. Goalies—T, Jablonski. T, Rhodes.

Edmonton	1	0	3—3
Calgary	2	1	1—4

First Period: C-Tikov 19 (Woitz, MacIntosh) (pp); C-Reichel 26 (pp); E-Arnott 21 (Beers, Olausson). Second Period: C-Reichel 25 (penalty shot) (pp). Third Period: C-MacIntosh 19 (Fleury, Reichelm); E-Corson 23 (Olausson, Arnott); E-Beers 9 (Corson, Weight) (pp). Shots on goal: E 6-5-12—23. C 14-12-11—37. Goalies—E, Rontondi. C, Kidd.

TRANSACTIONS

BASKETBALL
National Basketball Association

ATLANTA—Agreed to terms with Jerry Koller, pitcher, and Mike Kelly, outfielder, on 1-year contracts.

CHICAGO CUBS—Agreed to terms with Darron Cox, catcher; Jose Hernandez, infielder; and Dozie Thomas, outfielder, on 1-year contracts.

N.Y. METS—Suspended Brad Scherbarpen, pitcher, for first 5 days of 1994 season.

HOUSTON—Voided Feb. 4 trade that sent Robert Harry and Matt Bullard, forwards, and 2nd-round draft picks to Detroit for Sean Elliott, forward, after Elliott failed physical.

HOCKEY
National Hockey League

SAN JOSE—Reassigned Vladimir Krouna, defenseman, to Kansas City, IHL.

TAMPA BAY—Sent Wendell Young, goalie, to Atlanta, IHL, on rehabilitation assignment.

TORONTO—Recalled Drake Berehowsky, defenseman, and Yanic Perreault, center, from St. John's, AHL.

COLLEGE

BOWLING GREEN—Jack Gregory, athletic director, resigned, effective July 1.

BRIGHAM YOUNG—Announced the resignation of Dick Felt, assistant football coach.

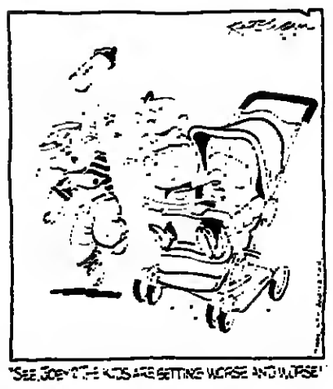
CINCINNATI—Named Dana Bible offensive coordinator and quarterbacks coach, L.C. Cole running backs coach, Paul Dunn offensive line coach, Greg Kostelnicky defensive line coach, Dan Treadwell receivers coach.

CRICKET

THIRD AND FINAL TEST
India vs. Sri Lanka

First Day, Monday, in Ahmedabad, India
Sri Lanka first innings: 119
India first innings: 90-1

DENNIS THE MENACE



"SEE, JOEY? THE KIDS ARE GETTING WORSE AND WORSE"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four words, one letter to each square, to form four ordinary words.

RINDE

SHAWS

THRIDE

BRISCE

WHAT THE SWIMMERS CALLED THE OVEN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "_____"

(Answers tomorrow)

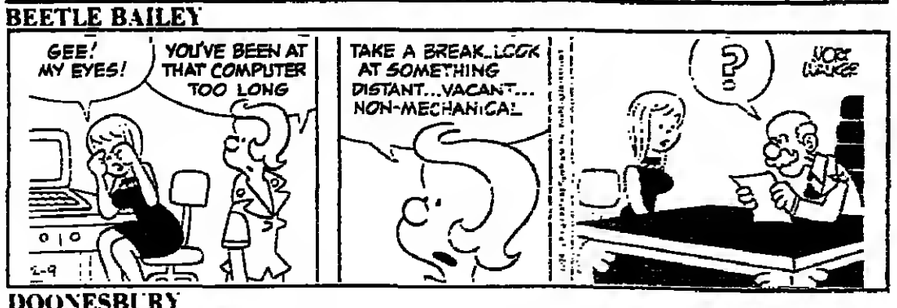
Yesterday's Jumbles: CURDLE HABIT MANGY BOLERO MELISH

Answer: What they called his horses with adjoining stalls — "NEIGH BORS"

PEANUTS

BLONDIE

BEETLE BAILEY



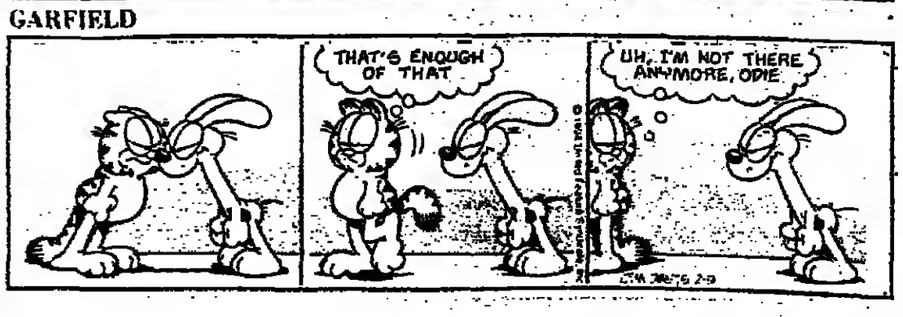
DOONESBURY

CALVIN AND HOBBES

WIZARD of ID

REX MORGAN

GARFIELD



SPORTS

Ukraine's Baiul: Like Heaven on Ice

At 16, Skater Is a Favorite for Gold

By Jere Longman
New York Times Service

As she stood backstage in Prague in March, 15-year-old Oksana Baiul, suddenly aware that she was figure skating's world champion, began weeping. The Ukrainian turned to her coach and said, "These tears are God's kisses from my mother in heaven."

At 13, Baiul was orphaned when her mother, Marina, a French teacher, died of ovarian cancer. So disconsolate was Oksana that, even three years later, she cannot discuss her mother's death. But beneath this grief is a teenager mature beyond her years. It is apparent in the heartfelt way she speaks, and in the joy and grace of her skating.

"We must not forget that this is called figure skating," Baiul said. "Women should stop trying to be like men with the jumps. People forget that the beauty is the key. The most important thing is the skating."

This season, though, skating hasn't been enough. Baiul has struggled with her jumping, especially the landing of one jump in combination with another.

At the recent European championships in Copenhagen, Baiul landed five triple jumps, but Surya Bonaly of France landed seven and took home her fourth consecutive title. At 15, Baiul was an unknown, skating without pressure. At 16, she faces the most difficult opponent at the coming Winter Olympics: high expectations.

"The hardest year of your life is the year after winning the world championship," said Scott Hamilton, a four-time world champion and the 1984 Olympic champion. "You have to live up to what world champion means. Once everything settles down, you realize what you did. It can be emotional."

How many athletes have we seen confused and distracted by sudden, unexpected success? Especially a 16-year-old whose mother and grandparents are dead and whose father left when she was 2?

The only constant has been the beauty of Baiul's skating, her whispery glides and sparkling expressiveness.

"She puts Katarina Witt to shame, the way she mugs for the judges," said Paul Wylie, a silver medalist at the 1992 Olympics. "She's just the girl they were looking for."

Her father, Sergei, divorced her mother when Oksana was 2, and she did not see him again until her mother's funeral. A chubby 3-year-old, Oksana was guided toward figure skating by her mother and grandfather as a way to stay fit until she was 7, when she could begin to study ballet. "When I was 7, I won my first competition, so I decided to stay in figure skating," Baiul said.

Her home life began to unravel as her grandfather died in 1987 and her grandmother passed away in 1988. In 1991, her mother died. "She had always been very healthy, then, in three weeks, she was dead," Stanislav Koritek, Oksana's former coach, said of her mother.

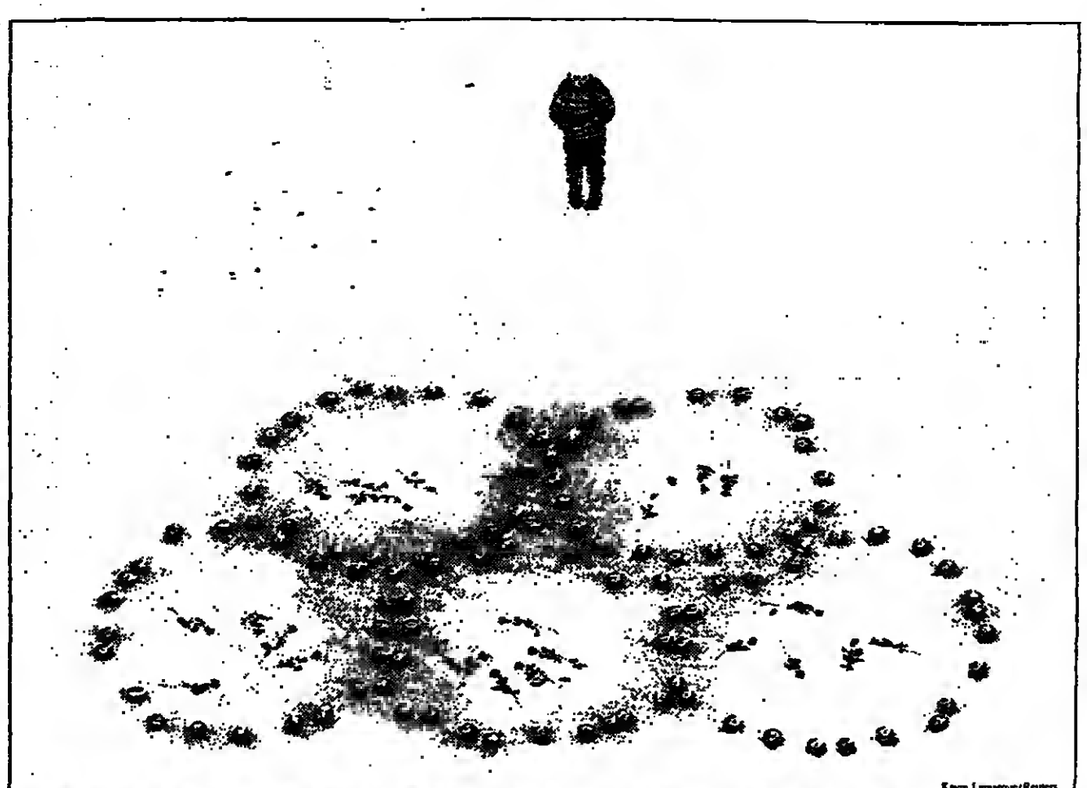
At 13, she was without any family. And soon, Baiul would be even without a coach. The Soviet Union having splintered, its sports machine no longer lubricated by the state, Koritek found it difficult to find work and moved to Canada.

Oksana needed a new coach. Koritek's father, Alfred, a vice president of the Ukrainian skating federation, phoned a renowned coach named Galina Zmievskaya, who lived in Odessa and tutored Viktor Petrenko, who would become the 1992 Olympic champion.

Zmievskaya was hesitant to take in Baiul, knowing she would have to be both a coach and a mother to her. Petrenko convinced her: "She is only one girl. How much can she cost?"

Her rise was as meteoric as it was improbable. In 1991, she finished 12th at the Soviet championships. Two years later, at 15, she defeated Surya Bonaly, Nancy Kerrigan and Tonya Harding and became the youngest world champion since Sonja Henie in 1928. Now she is a favorite for an Olympic gold medal.

Hard work, her mother told her, would always win them over.



Kevin Lamarque/Reuters

Candles formed the Olympic rings Tuesday in Lillehammer, Norway, where hundreds of people signed a message of solidarity with the besieged citizens of Sarajevo. Tuesday was the 10th anniversary of the opening of the 1984 Sarajevo Winter Olympic Games.

USOC Panel Sets Hearing on Harding's Status

The Associated Press

LILLEHAMMER, Norway — A U.S. Olympic Committee panel will meet in Oslo on Feb. 16 to decide whether Tonya Harding should be removed from the figure skating team for the Winter Games because of the attack on her rival, Nancy Kerrigan.

Harding's lawyers have been notified of the decision and she will be asked to appear, the USOC said. There was no immediate word on whether she would testify. She has not been charged in the case.

If the USOC Games Administrative Board votes to expel the U.S. champion, she would have to go to court to try to win back her spot. Any decision is expected to be announced immediately.

"I think it is a response that is required by the grounds surrounding the attack on Nancy Kerrigan," the USOC executive director, Harvey Schiller, said Tuesday.

He said the inquiry would deal more with "sportsmanship and fair play aspects rather than criminal culpability."

The Olympics open on Saturday, but the women's figure-skating competition begins Feb. 23.

A USOC statement said the hearing would deal "with issues of conduct which have been raised during the last several weeks during the law enforcement investigations into the attack on skater Nancy Kerrigan and the U.S. Figure Skating Association's review as it relates to the same issues."

In a television interview Tuesday morning, Schiller said the skating association's findings and Harding's own words were at the center of the USOC investigation.

"We're responding in the main to figure skating's calling for a hearing of their body, which could lead to suspension and all the factors surrounding that," he said. "There are a number of issues to be considered. And among them are statements that she's made in the past few weeks about her knowledge of the attack when she returned to Portland."

The board will meet privately, with 10 to 13 members attending.

The U.S. Figure Skating Association is conducting its own investigation of Harding, a process that won't be finished until after the Games, but that could result in her expulsion from the sport.

A grand jury in the United States is hearing evidence to determine whether allegations by Harding's ex-husband, Jeff Gillooly, are true: That the skater gave the go-ahead to attack Kerrigan, and was involved in the plot and the cover-up.

Schiller refused to predict whether Harding, a two-time national champion and a fourth-place finisher at the 1992 Winter Games, would skate at the Games.

"There are several reasons for the decision," Schiller said. "First, there was the evidence presented by the figure skating panel. Second, there is a variety of issues dealing with the code of conduct of the Olympic Winter Games, and with the code of conduct of the USFSA. And on top of all of that, there is the code of ethics of the International Olympic Committee."

Harding will be allowed to appear before the panel with or without her lawyers. The board can appoint people to present evidence, and can examine evidence or testimony by Harding.

Kerrigan and Harding have been teammates before, most notably in the 1991 World Championships, where they joined with Kristi Yamaguchi for a U.S. sweep of the medals, and the 1992 Winter Games.

They are expected to stay in the Olympic Village, but USOC officials promise that they won't be neighbors.

They will, however, share ice for practices.

Following a long-held policy of having teammates train together, the International Skating Union assigned the two Americans to the same practice group at the Hamar Olympic Amphitheatre.

No Sequins and Lace: As Ever, Harding Still Does It Her Way

By Michael Janofsky
New York Times Service

PORTLAND, Oregon — She was always different. When other little girls were tentative and shy, Tonya Harding was all guts and gusto, a fearless figure skater who couldn't succeed fast enough.

When she learned about such things as championships, gold medals and the Olympics, all she ever wanted was everything.

Twenty years later, not much has changed.

It has become, perhaps, the most remarkable aspect of a most remarkable story — the assault on her rival, Nancy Kerrigan — that nothing has pried Harding's eyes off the prize.

Not charges brought against four men in the case, including her former husband, Jeff Gillooly, who pleaded guilty last week to a count of racketeering. Not people who believe she helped plan the attack. Not even the enduring possibility she might be arrested or, worse, removed from the U.S. Olympic team.

Yet the same telescopic focus that brought her onto the world stage in skating has allowed her to persevere amid a broken home, financial distress, a troubled marriage and, now, an on-going investigation in which she is a focus. This is hardly a graduate of the father-knows-best school of middle-class comfort and security.

But who would know? Skating through her daily practice at the Clackamas Town Center ice rink in Oregon these last tumultuous weeks, Harding, 23, has appeared virtually oblivious to an outside world that is panting to learn whether she knows more of the attack than she has let on.

While the thought of one world-class athlete sabotaging another is almost inconceivable, there were times it was hard to imagine Harding achieving such success in a sport that values glamour, glitz and conformity almost equally with athletic skill.

Hers was always a combative, contrarian style amid the sequins and lace that help make figure skating the most popular of Winter Olympics sports and one of the highest-rated of any sport on television.

As other skaters projected grace and daintiness, Harding stormed through routines, determined to succeed in her own rough-hewn manner and homemade costumes.

As others chose Bizet and Tchaikovsky, Harding skated to a pulsating rap song and theme music from "Jurassic Park." In winning the 1991 national championship, the pinnacle of her career, she became the first American woman to complete a triple axel, a difficult jump.

Peggy Fleming, she wasn't.

"Tonya's big deal was that she didn't want to play the game with the hair, the dress, the look," said Dody Teachman, her coach from 1988 through the 1992 Olympics, in which Harding finished fourth.

"I would never tell her she had to do anything. I'd suggest. I'd tell her it was like a job, treat it like a job. You need to look a certain way when you skate, but you don't have to be the same person off the ice you are when you're on the ice."

As the only child of LaVona Golden and her fifth husband, Albert Harding, who worked in a rubber company, Tonya Maxene Harding lived in eight different places through her teenage years.

Harding first skated at the age of 3, and a year later found a coach, Diane Schatz — now Diane Rawlinson — who has remained with her to now, except for the period Teachman was in charge.

From the start, two recurring themes were evident: an abundance of ability and a dearth of funds. In a telling remark by Rawlinson in 1976 in The Enterprise Courier of Oregon City, Oregon, she was quoted as saying: "Tonya's a remarkable talent. With financial support, she could become Olympic material." Harding was 5 years old at the time.

In more recent years, Harding spoke often of days she and her mother would comb highways for bottles and cans to collect the refunds. Golden also raised some money as a waitress; Rawlinson raised more through donations, and contributed some of her own. But it was worth it. Young Tonya kept improving.

Within 12 years, she won her first major title, at the Northwest Pacific championships, which whisked her into national prominence the following year, when she turned 16. To make sure she stayed there, her parents took her out of school; later she earned a high school equivalency degree.

Perhaps the most remarkable aspect of a most remarkable story is that nothing has pried Tonya Harding's eyes off the prize.

As other skaters and officials celebrated at a party the night she won the national title in 1991, Harding joined friends in a hotel bar for a few games of eight-ball. A severe asthmatic, she was smoking a cigarette.

Her relationship with her mother never appeared so warm as that with her father. In a 1986 feature videotape of Harding, made as a senior project by Sandra Luckow, then a Yale University student and a skater who was also coached by Rawlinson, Harding is shown on the night she placed sixth in her first national senior competition.

She appears proud and happy until she telephoned her mother, who expressed the feeling that she should have finished higher.

In the video, Rawlinson asks Harding about the conversation, and Harding replies: "She goes: 'So I heard you missed your combination. You know, you didn't get any credit for that at all.' And I said, 'Mom.' She goes, 'You did terrible, you know that?' She said, 'You sucked.' And I said, 'Mom, I got half a credit for it.' And she goes, 'So, the rest of the program sucked, also.' "

Harding has spoken often of painful episodes with her mother. Once she said her mother hit her with a hairbrush; once she said she was thrown out of her mother's apartment until she helped pay the rent. Friends and relatives have recalled other scenes of stress in which Golden would verbally and physically abuse her daughter.

It pains Golden to be asked now about those episodes and others.

"I wouldn't call myself an abusive mother, nor would I say she had a bad childhood," Golden said recently on a CBS news show. "And then some people, they don't figure it's right to swat a bottom. I think if a bottom needs to be swatted, fine. Swat is not spank. Spank is putting over your knees and going whop, whop, whop, whop, or whatever. I did not ever do that."

By 1989, Harding had fully emerged as a potential star. While skimping remained as much part of her routine as practicing, a third-place finish in the national championships and victories in two important international events established her as a legitimate contender for the 1992 Olympic team.

About this time, her relationship with Gillooly intensified, and in 1990, they were married. She was 19, he was 22. Like the performer she was, Harding hid the turmoil of their marriage until it became public record.

Even so, her skating flourished, highlighted by her performances in 1991, which included her first national seniors title, the triple axel, the second-place at the world championships and a victory in Skate America, an annual international event held in the United States.

She was skating under Teachman, having broken temporarily from Rawlinson over issues of balancing her time between practice and outside interests.

Harding and Gillooly separated in early 1991, but reunited in the fall and spent the next 18 months or so in relative calm, even though her level of performance slipped a notch through 1992.

She finished third in the national championships and a disappointing fourth at the Albertville Olympics, after which she left Teachman and rejoined Rawlinson.

The quiet lasted through the 1993 nationals, in which she slipped another place, to fourth. In March and again in July, arguments with Gillooly brought police to their apartment.

She filed for a restraining order and divorce, which was granted on Aug. 28, 1993. But another reconciliation followed almost immediately.

The couple begin living together again until the events surrounding the Kerrigan assault pulled them apart.

At the rink last week, the crowd was growing as 10 A.M. approached, the time Harding was scheduled to begin practice.

Hundreds of people stood three and four deep along the rail, and hundreds more crained from the upper levels of the shopping mall as the Zamboni machine finished smoothing the ice surface for Harding's solo practice.

Out on the ice, bounding around, she waved and she smiled and her mother beamed proudly. And when her daughter completed that first triple jump, the crowd roared in approval. What problems? The Olympics are almost here.

OBSERVER

A Health-Care Mess

By Russell Baker

NEW YORK — All the ingredients are in place for the making of another fine mess in the best Laurel and Hardy tradition.

First, almost every politician in Washington needs something that can be called a "health-care bill" and needs it quick. In time for autumn campaigning, in fact.

Second, there is absolutely no consensus in Washington about what this wondrous "health-care bill" should do or be.

Third, there is no pronounced sentiment among the public either about what a "health-care bill" should do. This is because the public has only the foggiest notion of what's on the table.

Fourth, this absence of public understanding means the real power to write the bill rests with lawyers, social engineers, insurance companies, medical and drug lobbies, corporate managers and the political action committees, or PACs, which now finance most politicians' campaigns.

□

The first thing to be noted about these people is that they are of the class that is least inconvenienced by the shortcomings of the present health-care system.

Though doubtless decent citizens all, they would be inhuman if, feeling little personal need for urgent change, they didn't use their special leverage to protect their own interests.

Last week, for example, the Business Roundtable, consisting of top people in 200 of the biggest U.S. companies, threw their considerable weight against the Clinton bill. The Roundtable "task force" that drew up this position was headed by the CEO of Prudential, an insurance business.

Fifth, the White House strategy from the outset has promoted public confusion — which breeds public indifference — about its own plan. This could be fatal, because attempts to create great changes in American life need maximum public enthusiasm to overcome Congress's natural inertness.

Without public passion behind it, the Clinton plan was bound to get rough treatment from insiders whose interests tend to be more specialized than those of, say, a self-employed carpenter supporting a family of four with a troubling health record.

From the start, the Clinton plan never felt or smelled like a great idea whose time had come. Just the opposite. There were so many little ideas embedded in it that it was hard to find one that stirred the juices.

Experts love details; the rest of us are too busy with the details of living to be carried away with enthusiasm about the experts' detailed ingenuity.

Often we are content to be rabble yearning to be roused. Amazing technical constructions like the gigantic (1,362 pages) health-care bill the Clintons finally produced do not stir the blood.

□

And so while experts marvel and dispute, all sensible humanity slumbers, leaving the boys in tasseled loafers free to have their way with the pols.

What the Clintons needed was a drawing by Eero Saarinen. What the experts gave them was a blueprint by Rube Goldberg.

In retrospect it seems clear that the wise way to start would have been to come out for the simplicity of the single-payer plan. Of course it would have produced political uproar, and a healthy uproar it would have been.

At least it would have set pulses pounding. Awake, we might have advanced further than we're moving in this comatose mumble of experts about whether the Cooper bill is better than the Clinton bill and how fast the bile should be permitted to flow before the insurance company cancels your policy and whether . . .

If they'd started with the single-payer proposal, the Clintons could have negotiated back to something that would have saved the insurance industry's stake in the business without losing important points like universal coverage.

Instead, their experts gave the game to the insurance people at the start, thus surrendering a big, big bargaining counter.

The best thing might be for health care to be scrapped this year, so a fresh start can be made another day. The pols, however, need something they can call "health care," no matter what it does. Looks like Laurel and Hardy time again.

New York Times Service

William Gaddis's Law-Crazy America

By John Schwartz
Washington Post Service

NEW YORK — William Gaddis is begging off. He had agreed to write a book review for a small journal. The topic — people who do not believe that the Holocaust happened — fascinated him. But before long, the man who has been called one of the greatest living American novelists discovered he had gathered enough material on the topic to write a book himself, and was getting perilously close to drowning in his data.

Now, on this frozen afternoon, he has called the editor from his Upper East Side Manhattan apartment to apologize and to extricate himself from the assignment. He closes the conversation with a promise: "I'll call you if anything prospers."

After hanging up, Gaddis shakes his head with regret.

Research is William Gaddis's gift — and his burden. The onetime fact checker for The New Yorker would probably be uncomfortable telling you the time unless he had acquired a profound understanding of how a watch is made. That dedication to detail is the mark of an author who reportedly has 20 pages of research behind every paragraph in his 1955 debut, "The Recognitions," a remarkable novel about fakery and counterfeiting.

Steven Moore, senior editor at the Dalkey Archive Press and author of three books on Gaddis's work, claims, "His novels, taken together, constitute the greatest achievement in American fiction since World War II" — though "if he had stepped in front of a truck the day 'The Recognitions' appeared, that alone would have made his reputation as one of the greatest writers of our times."

In his introduction to the 1993 Penguin reissue of "The Recognitions," William Gass, author of "Omensetter's Luck," writes of Gaddis's work: "There's no need for haste, the pages which lie ahead of you will lie ahead of you for as long as you like them to; it is perfectly all right if some things are at first unclear, and if there are references you don't recognize; we need to understand this book — enjoy its charm, its wit, its irony, its erudition, its sensuous embodiment — the way we understand a spouse we have lived with and listened to and loved for many years through all their nights. . . . A few critics confessed they could not reach the novel's conclusion except by skipping. Well, how many have actually arrived at the last page of Proust or completed 'Finnegans Wake'?"

Across the decades of writing, Gaddis has honed an idiosyncratic style. He strips conversations of the usual "he said, she said" cues — and even of quotation marks. It's a little like trying to piece together an overheard conversation at a restaurant. It makes the reader work a little harder to follow the thread, but gives Gaddis's prose startling immediacy and strength.

Cori Wells Braun for The Washington Post

Novelist Gaddis, 71: "A Frolic of His Own" is his fourth book.

Let the following passage from Gaddis's new novel, "A Frolic of His Own," be a litmus test of his style. Oscar Crease, a hapless college professor, believes the Civil War play he wrote some years before was pirated to become the basis for a gory, sex-drenched Hollywood spectacular. In this scene, Oscar is discussing his prospects for a lawsuit. After his lawyer, Harold Basie, asks whether Crease had tried to publish the play, Oscar erupts:

I didn't say it was published! No, I submitted it with some excerpts written as a novel, the way I'd treat the whole thing as a novel and they turned it down because of my age, they liked it they liked it a lot but they said I was too old to market, not the book but me, to market me! Talk shows, book tours all the rubbish that publishing's turned into, not marketing the work but selling the author in this whole revolting media circus turning the creative artist into a performer in this frenzy of publicity because I wasn't a baseball player with AIDS or a dog that lived in the White House I was just too old, try to deal with these publishers all they want is your coffee, put it down here I'll not on the books! on those newspapers there, I sent a copy to myself registered mail in a sealed envelope against just such a piece of dirty work as this one, I did that when I . . .

Gaddis might be a wonder, but he's no longer a Wunderkind. He is 71. "A Frolic of His Own" is only his fourth book. Twenty years after the appearance of "The Recognitions" he brought out "J. R.," in which an 11-year-old named J. R. builds a business empire through amiably boyish greed. In 1985 came "Carpenter's Gothic," a work that takes on the excesses of televangelists.

He grew up in WASP gentility, in an age of WASP decline. His parents divorced when he was 3 years old. Much of his childhood was spent at his mother's big old family home on Long Island.

Gaddis attended Harvard; a childhood kidney disorder exempted him from fighting in World War II. He agreed to leave the school in his senior year, however, after a run-in with the Cambridge police during what has been called a bout of "youthful hell-raising." He did his stint at The New Yorker, then traveled for a few years, gathering string for what would become "The Recognitions."

Although many today consider that first work a masterpiece, at the time most reviewers blasted it as hubristic, blasphemous and tedious. It sank. (Gaddis now notes with some satisfaction that a first edition of the book will bring up to $700.)

What followed were grim years, hard on him and on his family. He was working at public relations, writing speeches and writing scripts for training and public relations films for the U. S. Army. Gaddis has two children from a marriage that broke up in 1967. Daughter Sarah, now 38, is an artist and novelist. Gaddis's son, Matthew, 35, is a filmmaker in New York.

In 1975, Gaddis hoped "J. R." would change his fortunes. This savagely funny satire of "the childish nature of the business world," as Gaddis puts it, won the National Book Award but had disappointing sales. It was the quintessential '80s book, but was written in the '70s. "J. R." "did really, I think, in 1975, tell us what the '80s were going to be," Gaddis says. "And sure enough, thousands of J. R.s out there destroyed everything."

In the late 1970s, a second marriage foundered. From that low, things began to turn around. He met his current companion, Muriel Oxenberg Murphy, a television producer and a woman of means sufficient to keep both of them comfortable. Money began coming his way. Gaddis won a Guggenheim fellowship, and then in 1982 a five-year MacArthur Foundation award — "the shortest five years I ever lived through," Gaddis jokes. He began getting sizable advances for his novels. In 1985, "Carpenter's Gothic" received strong reviews even though some critics say it is his weakest effort.

"A Frolic of His Own" is about folks who see the rich suing each other for sport and want to get into the game. Gass calls the book "a trial of the American psyche." He says the book is well timed: American society has become law-crazy.

What has gone wrong with the law, Gaddis says, is what has gone wrong with society. "This free enterprise society is an adversarial society, so the law emerges from that adversarial attitude. So here we are, all adversaries."

PEOPLE

Another Battle Battle: The Met Drops Soprano

The Metropolitan Opera dismissed the soprano **Kathleen Battle** from its production of "The Daughter of the Regiment" for what it called "unprofessional actions" during rehearsal. Battle said, "To my knowledge we were working out all of the artistic problems in rehearsals." **Joseph Volpe**, the Met's general manager, said her behavior was "profoundly detrimental." The New York Times quoted sources as saying that Battle was "very nasty" to fellow cast members and uncooperative even after the rehearsal schedule had been changed to accommodate her. She walked out of a Met rehearsal last year after a conflict with the conductor **Christian Thielemann**, then quit the production of "Der Rosenkavalier."

□

Jack Kent Cooke, 81, the owner of the Washington Redskins football team, declared his marriage in 1990 to **Marlena Ramallo Chalmers** void because her divorce from her former husband, Cooke says, was "falsely obtained in the Dominican Republic."

□

Paul Anka was honored at the French record industry's annual awards ceremony for his classic song "My Way," which became **Frank Sinatra's** signature song 25 years ago. Then Anka was named a knight of the Order of Arts and Letters by **Culture Minister Jacques Toubon**.

□

Ted Turner, the owner of Turner Broadcasting System, has pledged $25 million each to McCallie School, a prep school in Tennessee; Brown University in Rhode Island, and The Citadel, a military college in South Carolina. Turner was graduated from McCallie in 1956 and Brown in 1960. His three sons attended The Citadel.

□

Whitney Houston won in seven of the eight categories in which she was nominated at the American Music Awards and received a special Award of Merit. This takes her tally at the awards to 19 — she shares the top spot with **Kenny Rogers**.

INTERNATIONAL CLASSIFIED
Appears on Pages 6, 14 & 17

WEATHER

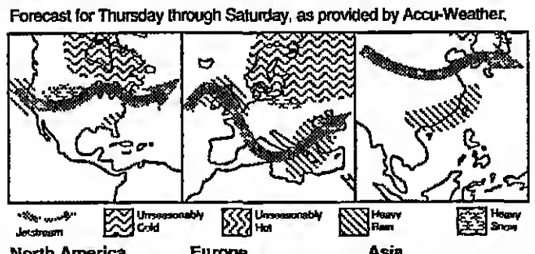
Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	17/62	7/44	s	18/64	9/48	s
Amsterdam	7/44	0/32	pc	6/43	1/34	c
Ankara	6/43	-3/29	sh	7/44	-3/27	r
Athens	12/53	6/46	sh	12/53	7/44	r
Barcelona	12/53	6/46	s	13/55	8/46	s
Belgrade	4/39	-1/27	pc	4/39	-4/25	pc
Berlin	2/35	-2/29	sh	2/38	-3/27	sn
Brussels	7/44	-1/31	pc	6/43	0/32	pc
Budapest	2/35	-2/29	c	2/35	-4/25	sn
Copenhagen	1/34	-1/31	sn	2/35	-3/27	sn
Costa Del Sol	16/61	7/44	s	17/62	9/48	s
Dublin	11/52	0/32	s	12/53	4/39	s
Edinburgh	6/43	2/35	pc	8/46	4/39	pc
Florence	9/48	3/37	pc	12/53	1/34	pc
Frankfurt	4/39	1/34	c	4/39	1/34	r
Geneva	7/44	0/32	pc	8/46	-1/31	s
Helsinki	-8/18	-16/4	pc	-7/20	-13/9	pc
Istanbul	8/46	2/37	pc	10/50	2/35	sh
Las Palmas	22/71	16/61	pc	23/73	15/59	s
Lisbon	15/59	7/44	s	17/62	9/48	s
London	7/44	1/34	s	9/48	3/37	s
Madrid	11/52	2/35	s	13/55	3/37	s
Milan	7/44	1/34	pc	10/50	-1/31	s
Moscow	-12/11	-19/-2	s	-10/15	-18/4	pc
Munich	4/39	-3/27	pc	4/39	-5/24	c
Nice	11/52	4/39	s	14/57	4/39	s
Oslo	-7/20	-14/7	sn	-4/25	-9/16	sn
Paris	10/50	8/46	s	12/53	8/46	s
Prague	1/34	-3/27	pc	1/34	-5/23	sn
Reykjavik	2/35	0/32	sn	5/41	-3/27	sn
Rome	11/52	4/39	pc	12/53	3/37	pc
St. Petersburg	-3/16	-10/14	c	-7/19	-10/14	pc
Stockholm	-4/25	-1/16	c	-2/29	-7/20	sn
Strasbourg	6/43	-2/29	pc	6/43	-3/27	pc
Tel Aviv	19/19	10/4	pc	18/18	-12/11	pc
Venice	7/44	2/35	pc	9/48	0/32	pc
Vienna	3/37	-1/31	sh	3/37	-3/27	pc
Warsaw	-1/31	-4/25	r	-2/29	-7/20	sn
Zurich	5/41	-2/29	pc	6/43	-3/27	pc

Oceania

Auckland	22/71	13/55	s	23/73	16/61	pc
Sydney	28/82	13/66	pc	27/80	18/64	sh

Forecast for Thursday through Saturday, as provided by Accu-Weather.



North America
Dry, cold weather will prevail from Chicago to Detroit Thursday into Friday. Snow may arrive Saturday. A mixture of snow, ice and rain will move off the East coast Thursday with dry weather to follow Friday. Heavy snow will blanket the central and northern Rockies Thursday and Friday.

Europe
Cold will persist over Scandinavia this week; it will snow Thursday in Lillehammer. The British Isles will have scattered heavy rains later this week. High winds are possible from Ireland to Scotland Saturday. Heavy rains will move from Athens Thursday into southwestern Turkey Friday.

Asia
Tokyo will be windy and turn colder Thursday. Dry, chilly weather will prevail Friday into Saturday. Heavy snow will blanket northern Japan, including Sapporo Thursday and Friday. Beijing will have dry, seasonable weather late this week. A corridor of rain will dampen southern China.

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Beirut	17/62	12/53	pc	19/66	11/52	s
Cairo	21/70	8/46	s	22/71	9/48	s
Damascus	13/55	4/39	s	17/62	5/41	s
Jerusalem	14/57	8/46	s	17/62	8/46	s
Luxor	23/73	5/41	s	30/86	8/46	s
Riyadh	26/79	12/53	s	28/82	14/57	s

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	26/79	17/62	pc	23/73	11/52	pc
Caracas	28/82	23/73	pc	29/84	20/68	pc
Lima	26/79	21/70	pc	26/79	21/70	pc
Mexico City	27/80	9/48	pc	23/73	7/44	pc
Rio de Janeiro	31/88	25/77	pc	31/88	25/77	s
Santiago	24/75	11/52	pc	26/79	12/53	pc

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	32/89	26/79	t	33/91	24/75	t
Beijing	7/44	-1/31	s	6/43	-1/31	sh
Hong Kong	18/64	13/55	pc	18/64	15/59	sh
Manila	31/88	22/71	pc	31/88	21/70	pc
New Delhi	26/79	14/57	s	26/79	14/57	s
Seoul	-1/31	-10/15	pc	2/35	-5/23	pl
Shanghai	9/48	-3/27	s	10/50	4/39	sh
Singapore	28/82	25/77	t	28/82	24/75	t
Taipei	20/68	9/48	s	21/70	14/57	sh
Tokyo	11/52	-1/31	pc	7/44	-3/27	pc

Africa

Algiers	13/55	8/46	pc	14/57	9/48	sh
Cape Town	26/79	17/62	s	27/80	16/61	s
Casablanca	18/64	6/43	s	18/64	7/44	s
Harare	22/71	6/43	s	26/79	9/48	s
Lagos	31/88	26/79	s	31/88	26/79	pc
Nairobi	27/80	10/50	s	28/82	13/55	s
Tunis	13/55	6/43	sh	15/59	7/44	pc

North America

Anchorage	-6/22	-16/4	pc	-5/23	-13/9	pc
Atlanta	20/68	8/46	sh	3/38	-1/31	sh
Boston	-4/25	-9/16	sn	-1/31	-3/27	c
Chicago	-7/20	-17/2	sf	-11/13	-14/7	pc
Denver	-2/29	-9/16	s	6/43	-8/18	pc
Detroit	-5/23	-13/9	sn	-5/23	-14/7	c
Honolulu	26/79	20/68	pc	27/80	20/68	pc
Houston	22/71	2/35	sh	15/59	2/35	pc
Los Angeles	17/62	7/44	s	17/62	7/44	s
Miami	29/84	22/71	s	29/84	18/64	pc
Minneapolis	-15/5	-23/-9	pc	-12/10	1/34	s
Montreal	-14/7	-19/-2	sn	-7/20	-17/2	c
Nassau	29/84	13/55	s	28/82	21/70	s
New York	1/34	-4/25	r	0/32	-7/20	c
Phoenix	16/61	1/34	s	21/70	6/43	s
San Diego	14/57	6/43	s	14/57	6/43	sh
Seattle	6/43	2/35	r	6/43	2/35	sh
Toronto	-12/10	-17/2	sn	-8/18	-12/11	sf
Washington	6/43	2/35	r	6/43	-4/25	c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-fog, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

CROSSWORD

ACROSS
1 Funny pages favorite
11 Composer Satie
15 Exciting adventure
16 "I came," to Caesar
17 Recruiter's objective
18 Professional suffixes
19 Three after B
20 Cousin of "Eureka!"
21 Shows how
22 Stout
24 Hawaii's state bird
26 Screen's partner
27 Post
29 Show anger, in a way
32 According to
33 They make a bloom blossom
35 Satisfied subscribers
37 Profligate
40 Tubular pasta
43 Victoria's Secret selection
47 Blown-up photo: Abbr.
48 Discovery of 1781
51 Stevedore's, e.g.
52 Philatelist's item
54 Little pest
56 Ona over due
57 Shade maker
60 Twosome
61 Season in St.-Lô
62 Turner and Pappas
63 Way back
66 Furniture wood
67 Crudity
68 Guinness Book suffixes
69 Creator of 1-Across

DOWN
1 Start of a Gardner title
2 C.B.ers' names
3 Brennan and Ford
4 Calendar abbr.
5 Match play?
6 Chung's partner
7 Singer Nina
8 Real ending in London
9 1978 Yankee hero
10 Renowned costume designer
11 Bounce
12 Amend
13 Whole amount
14 "Powl" places
22 Quakers
25 Loop for a lobe
28 Oscar —— Renta
30 Like Gen. Schwarzkopf
31 Prefix with cycle or sex
34 Gym exercises
36 TV host, 1955-82
38 N.Y.C. div.
39 Bambi's aunt
40 Break
41 Pipe openings
42 Show anger, in a way
44 Hospital personnel
45 Feature of many court buildings
46 Increase the angle of elevation
48 Without cause
50 Long, bony fish
53 Mardi Gras sights
55 Friendly Islands
58 First ed.
59 Actress Olin
64 Dutch painter Gerard —— Borch
65 Thrash

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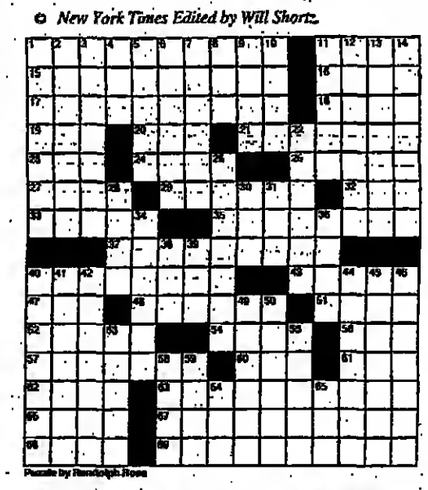

Puzzle by Randolph Ross

Solution to Puzzle of Feb. 8

A	L	G	A		I	D	E	A			T	A	R	P
S	E	E	D		S	E	W	U	P		E	L	I	A
C	A	R	O	L	I	N	E	K	E	N	N	E	D	Y
A	G	A		U	S	E			G	O	O	S	E	S
P	U	L	L	S		B	D	L	G	E	R			
	E	D	I	T	H		R	A	Y	S		L	E	E
		F	O	R	A		I	N	C		F	E	E	L
L	E	O	N	A	R	D	O	O	A	V	I	N	C	I
E	R	R	S		P	A	L		S	I	N	N		
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			E	N	M	E	S	H		E	L	S	O	W
M	T	E	T	N	A			E	S	L		R	U	E
R	I	C	H	A	R	D	D	R	E	Y	F	U	S	S
E	T	R	E		X	E	R	O	X		I	G	E	T
O	D	U	R			O	U	S	Y		T	E	G	S